

[illegible]



## Report of Investigation

U.S. Department of Housing  
and Urban Development  
Office of Inspector General  
*Office of Investigation*

Case File Number:	District/Office:
<b>IC 500</b>	<b>Special Investigations Division, Washington, D.C.</b>

**Title:**

**COBB, ROBERT WATSON (MOOSE)**  
**Inspector General**  
**National Aeronautics and Space Administration**  
**Office of the Inspector General**  
**Washington, D.C.**

**Narrative:**

On January 6, 2006, the U.S. Department of Housing and Urban Development (HUD), Office of Inspector General (OIG), received a request from the President's Council on Integrity and Efficiency (PCIE), Integrity Committee (IC) to conduct an investigation of Inspector General (IG) ROBERT WATSON COBB (COBB), National Aeronautics and Space Administration (NASA), OIG. HUD-OIG was advised that "due to the number of credible allegations, with a pattern of possible misconduct and/or wrongdoing by the NASA IG, the IC determined that an administrative investigation of the allegations is appropriate." HUD OIG was instructed to develop a comprehensive factual report concerning the allegations and any additional issues, which might be uncovered during the investigation (Appendix 3).

The PCIE forwarded 18 complaints, which generated 79 separate allegations. A team of HUD OIG Special Agents and Forensic Auditors conducted the investigation and completed the report. Documents were obtained, reviewed and analyzed. 26,259 electronic mail messages were reviewed, a total of 121 interviews completed, and 199 exhibits cataloged.

The attached Report of Investigation is broken down into four sections, which generally describe the types of allegations investigated. Individual allegations can be found in the table of contents, but in general the allegations are located in the following sections:

- Section 1: Audit Issues consists of 27 allegations, numbered 1-27
- Section 2: Investigation Issues consists of 19 allegations, numbered 28-46
- Section 3: Management Issues consists of 23 allegations, numbered 47-69.

There were 10 allegations against IG COBB received by HUD OIG, which could not be investigated, or could not be fully investigated, because: 1. Insufficient information, or information which was too vague, was received; 2. Investigation into the allegation failed to produce additional leads, which would have then allowed for fuller consideration; or, 3. The allegation was deemed frivolous. Those allegations are referenced in section four of this report.

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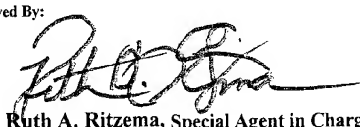
IG COBB was interviewed under oath and the interview was reported by a certified court reporter. IG COBB was represented by counsel. Counsel for IG COBB requested and was furnished a copy of the testimony. The reader is directed to IG COBB's testimony, in its entirety, which is to be considered as an integral part of this report.

Appendices have been included with this report, which are provided for clarification and ease of reference, and include:

- Appendix 1: A name and title reference guide, which provides the name and title of each individual interviewed or referenced, during the investigation.
- Appendix 2: A list of commonly used acronyms and abbreviations used in the report.
- Appendix 3: Case Initiation Documentation received from the PCIE.
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Report By: <div style="border: 1px solid black; height: 40px; width: 250px; margin: 5px 0;"></div> Asst. Special Agent in Charge	Approved By:  Ruth A. Ritzema, Special Agent in Charge	Date:  8/30/06
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**Allegation 1** – Inspector General (IG) COBB failed to allow an audit to be conducted into an alleged violation of Emergency Supplemental Security Funding (ESSF).

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 12**). In his complaint to Senator Nelson, [redacted] stated that NASA received ESSF to enhance physical security as a result of the 9/11 attacks.

Preliminary work by NASA OIG disclosed that Centers might have misappropriated ESSF funds. Specifically, approximately \$4 million allocated to the Marshall Space Flight Center (MSFC) in Huntsville, Alabama, were inappropriately used to support NASA's integrated financial management program (IFMP). [redacted] an independent assessment of the use of ESSF to determine if misappropriations and potential Anti-deficiency Act violations may have occurred. The audit planning process continued until late June 2003, when COBB directed the process be suspended indefinitely. [redacted] stated that this action is just one of several that appears to constitute a lack of independence on the part of the IG.

[redacted] wrote a letter to Senator Nelson that was forwarded to HUD OIG through the PCIE (**Exhibit 2**). In his complaint to Senator Nelson, [redacted] stated in part, "Repeated attempts have been made by [redacted] to have an investigation or an audit performed on the misuse of 9/11 security funds by the [redacted]. In violation of the Anti-deficiency Act, which is a criminal offense, [redacted] moved approximately \$3.6 million earmarked for security to the Integrated Financial Management Program. Cobb, as well as senior NASA OIG management officials, were made fully aware of this violation as well."

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[redacted] wrote a letter to Senator Nelson that was forwarded to HUD OIG through the PCIE (**Exhibit 5**). In his complaint to Senator Nelson, [redacted] stated MSFC allegedly used about \$3-\$4 million in ESSF provided to enhance security after 9/11 to make contractor payments on the IFMP. [redacted]

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[redacted] According to OIG management, the audit was postponed due to our involvement in the CAIB report. [redacted]

On March 15, 2006, [redacted] was interviewed (**Exhibit 43**). [redacted] reported that in [redacted] an audit of a known funding violation at the MSFC to address the use of approximately \$3.6 million of ESSF. [redacted] noted the ESSF audit was "pretty much a given" in that it would have been issued very quickly since the fiscal law violations were already known by senior management at NASA and NASA OIG. [redacted] added that instead of spending the ESSF funds on physical security, [redacted] used the funds to upgrade the IFMP, a NASA accounting software program. According to [redacted] NASA OIG Headquarters postponed initiation of the ESSF audit due to NASA OIG involvement in the Columbia Accident Investigation

Board (CAIB) report. [REDACTED]

[REDACTED] the audit was never conducted.

[REDACTED] the ESSF audit was never conducted

because it would have embarrassed the agency.

On March 10, 2006, [REDACTED] was interviewed (**Exhibit 41**). [REDACTED] stated that [REDACTED]

[REDACTED] needed money to do something at Marshall, and he took the money out of Code X's (NASA's Office of Security and Program Protection) 9/11 funds. From what [REDACTED]

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[REDACTED] There were also other allegations of misuse of the money [REDACTED] wanted to conduct an audit. However, [REDACTED] and that COBB told [REDACTED]

[REDACTED] agreed the audit should be done and [REDACTED] from COBB [REDACTED] could begin the work. However, this did not happen. The issue about the supplemental money "bubbled up" once again when there was a rumor that Homeland Security was going to conduct a review on money given to various agencies, and NASA was on the list. Then everything "died again" when it was found that NASA was not on the list as part of the review. [REDACTED] brought up several indications of misuse of the money [REDACTED]

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On June 6, 2006, [REDACTED] was interviewed (**Exhibit 142**). He recalled there was a potential violation, and the issue was still open when [REDACTED] recalled openly discussing the case with [REDACTED] [REDACTED] currently the [REDACTED] stated there was "not a great deal of interest" in this issue from COBB. However, [REDACTED] thought the audit needed to be done. [REDACTED] [from COBB] for [REDACTED] audit team to conduct the audit.

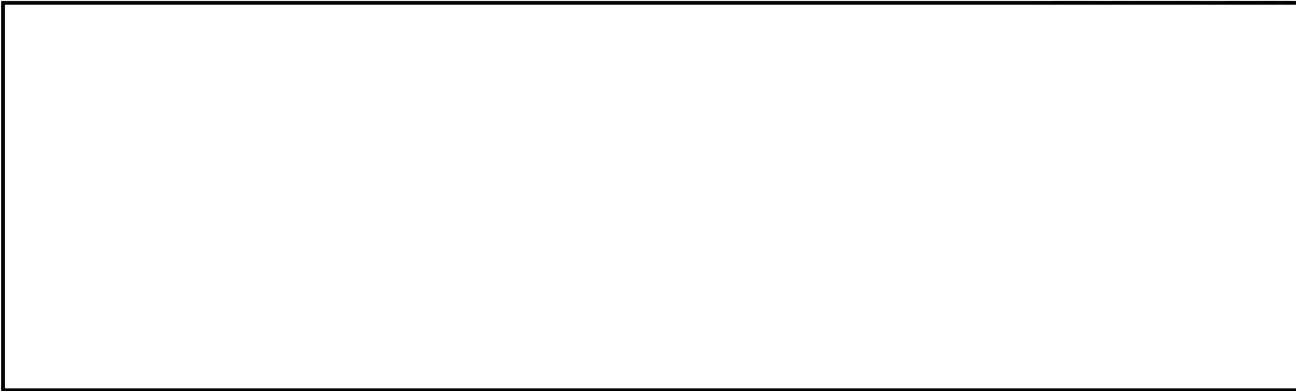
On May 19, 2004, an email was sent to NASA staff announcing the audit of NASA's Management of the Integrated Financial Management Program. [REDACTED]

On May 20, 2004 [REDACTED] que...It is likely that [REDACTED] will handle this as a special project. [REDACTED]

On May 23, 2006, [REDACTED] was interviewed (**Exhibit 128**). [REDACTED] was aware of one audit that was referred but not initiated by the Office of Audit. This audit concerned ESSF NASA received after 9/11. [REDACTED]

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On May 30, 2006, [redacted] was interviewed and provided the following information (**Exhibit 136**). In approximately April 2003, [redacted]

[redacted] received a check from Code X to pay for the Integrated Financial Management Project. [redacted] the funds were taken from Homeland Security Funds [redacted]

[redacted] COBB, [redacted] COBB said he wanted to mend fences with Code X, and he did not want to do an audit regarding the funds [redacted] received from Code X. [redacted] COBB there was a "potential misuse of funds." COBB stated he "did not want to upset Code X right now." [redacted] was very disappointed COBB put them all in an "ethical dilemma," and COBB did not give them any explanation as to why he did not want to "look into it." [redacted] would find a way to do the audit without COBB's knowledge, however, the audit was never initiated.

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On June 28, 2006, [redacted] was interviewed (**Exhibit 185**). [redacted] was asked about the ESSF audit referral, and his response to the allegation is located on page 220, line 12 through page 226, line 14 of his interview transcript. [redacted] stated, in part:

[redacted] It was proposed as an audit issue, and basically there was a -- I believe a proposal put together on it, or it was in the audit plan, and essentially it was overtaken by higher priority work dealing with the return to flight activities, and it was never initiated.

I was very skeptical of whether it was a legitimate audit issue. The theory was that the funding that was used was security funding and that using it for IT security purposes was inappropriate, and I wasn't convinced that that was a valid --

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SPECIAL AGENT [redacted] Okay. Correct me if I'm wrong, this was funds that -- the allegation was funds that were misused by KODECS [Code X], personnel in KODECS [Code X]; is that correct?

[redacted] They -- the allegation was that the funds were misused by -- I guess KODECS [Code X], but it wasn't -- it was more -- it was the CIO.

It was that the CIO had inappropriately used the funds.

SPECIAL AGENT [ ] Because KODECS [Code X] gave the CIO that money --

[ ] Right.

SPECIAL AGENT [ ] -- to use?

[ ] Right. Right. Right.

SPECIAL AGENT [ ] And the money was supposed to have been used for physical security?

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[ ] I don't know that it was physical security. It was -- you know, it was post 9/11 and it was for security. Again, you know, their audit -- -- the audit proposal was made, and it was never, you know, it was withdrawn by the audit staff.

SPECIAL AGENT [ ] It was withdrawn by the audit staff?

[ ] Yeah. They took it out of their plan essentially.

SPECIAL AGENT [ ] Why?

[ ] Who did?

[ ] Because there was higher priority work to be done.

SPECIAL AGENT [ ] So who took it out?

[ ] It would have been [ ] at the time, I believe.

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SPECIAL AGENT [ ] Okay. Did that direction come from above [ ] down to

[ ]

[ ] No. No.

SPECIAL AGENT [ ] Did Mr. Cobb ever say that he did not want to conduct this audit because he didn't want to "upset KODECS [Code X]?"

[ ] No.

SPECIAL AGENT [ ] Did you ever talk to Mr. Cobb about this audit and tried to impress upon him that there was a need to look at the allegations of the misuse of the funds?

[ ] No. No. We -- our office, including our Office of Investigations, was very familiar with what the funds were being used for. There was a center being developed at the Marshall

Space Flight Center to provide IT security government wide, and our CCD, Computer Crimes Division, staff was intimately involved in what was happening down there, and in their opinion, it was nothing wrong with what was happening down there.

They were participating to the point that we were going to have a counsel in the -- within the facility so that we could also use that to monitor network traffic and identify potential hazards.

SPECIAL AGENT [ ] Okay. Well, let me go back for a minute. I appreciate that. But let me go back for a minute to -- you said you believe it was [ ] who decided not to conduct this audit; correct?

[ ] Right.

SPECIAL AGENT [ ] Okay. And to your knowledge, [ ] made this decision solely on his own?

[ ] Correct.

SPECIAL AGENT [ ] Without any pressure whatsoever from above. Mr. Cobb, yourself, or anyone --

[ ] Well, that particular audit. There were a number of audits that, you know, as I mentioned earlier on a different subject, that the audit plan essentially went out the window after --

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-- the Columbia accident.

No, the answer directly is, that there was no direction given by Mr. Cobb or me to not do that audit.

SPECIAL AGENT [ ] Or anyone else on the senior staff?

[ ] I can't speak for anyone else --

SPECIAL AGENT [ ] That you're aware of --

[ ] -- on the senior staff. Myself and Mr. Cobb did not give a direction to not do that audit.

On June 29, 2006, Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB was asked about the ESSF audit referral, and his response to the allegation is located on page 466, line 13 through page 467, line 9 of his interview transcript. COBB stated:

Q. Is it true you would not allow the audit of an alleged misuse of funds earmarked as emergency supplemental security funds at Marshall Space Flight Center?

A. I don't think that that's right.

Q. Okay. What's not right about it?

A. Well, what's the statement again?

Q. That you would not allow an audit of an alleged misuse of funds earmarked as emergency supplemental security funds at Marshall?

A. I don't think that's right. I don't think I -- I don't recall. I might have had input on it, but my recollection is that there was an audit proposal to that effect and that [REDACTED] put it off.

BY [REDACTED]

Q. According to a witness -- ?

A. In other words, it wasn't a priority. There are many reasons it wasn't a priority. One is because of the return to flight audit activity we were undertaking; but also as to the conversation, we are articulated, you asked me a question in connection with the Marshall activity, and you talked about discussions with [REDACTED] and whatnot.

My understanding was that there was an IT security function that was going to be carried out by the expenditure of the moneys that I think you're referring to. And, in fact, our computer crimes division was going to have two seats at this center where this activity was going to take place.

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So the conclusion of [REDACTED] that he was going to put this one on the back burner made perfect sense to me because it seemed fundamentally probably not the best allocation of our treasured resources.

Q. With regard to that audit, did you ever say that you did not want to upset code X right now and that's why you did not want to do the audit?

A. I don't think that would have been a motivation I would have had. I have to say we did have a lot of sensitive issues with code X that could blow up. We were trying to get them resolved. If I did say anything, maybe -- and I have no recollection whatsoever, but in connection with any activity that concerned code X, if I said gee, why don't we wait a few months to do something, that's possible.

I would do whatever I thought involved the application of common sense after discussing in a collaborative fashion with my senior staff the various issues. I didn't do these things by fiat. I did it after discussion and collaboration.

Q. Do you recall [REDACTED] impressing upon you that this needed to be looked at? This alleged misuse of funds?

A. No.

Q. Okay.

A. We're talking about money at the Marshall Space Flight Center for the development of an IT security center, or an IT center that involved security.

Q. Earmarked that but used for something else?

A. No. It was earmarked for security and used for this, for IT -- NASA IT security center.

Q. Right. No. I didn't say IT. You're right.

BY [REDACTED]

Q. According to the witness, money was used to pay for an integrated financial management project. However, the funds came from homeland -- from Homeland Security and there was a belief that they were inappropriately used to pay for this integrated financial management project, so it didn't have anything to do with the intended use of the funds which was for homeland security.

And we had a number of staff members who impressed upon you the need to conduct this audit. You simply stated you did not want to upset code X right now?

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A. I don't think that's an accurate articulation. This was addressed by the integrity committee that we responded to. They closed the case. My recollection -- that correspondence -- [REDACTED] there was a proposed audit. [REDACTED] elected to say because the return to flight activities, that it was not a priority, and it got suspended. Then after that, I don't know whether there was an election by [REDACTED] or discussion in the front office about it or not.

I -- .

Q. The witness stated that after this meeting took place you allegedly said that you didn't want to do the audit because you didn't want to upset code X, [REDACTED] informed the witness they would find a way to do the audit without your knowledge. However, the audit was never initiated?

A. I'd say that that sounds very -- again, I'm working on the things that come into my office. I deal collaboratively with my staff. What somebody says, I can't help you with that.

**Allegation 2**– Inspector General COBB “did former Administrator Sean O’Keefe’s (O’Keefe) bidding” by terminating the contract with Price Waterhouse Coopers.

**Investigative Findings:**

On March 10, 2006, [redacted] was interviewed (**Exhibit 41**) based on information he provided to Senator Bill Nelson [Florida], which was forwarded to HUD OIG by the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 7**). During the interview, [redacted] provided the following allegation. [redacted] explained that in February 2002, [redacted] former NASA Administrator O’Keefe that NASA OIG was getting ready to issue a disclaimer, or a qualified opinion, on NASA’s financial statements. Shortly thereafter, O’Keefe [redacted] that she needed to resign, or she would be terminated. During this same meeting, O’Keefe [redacted] that COBB was going to [redacted]

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The Chief Financial Officer (CFO) audit was originally contracted out between NASA OIG and Price Waterhouse Coopers (PWC); O’Keefe did not like PWC and he “made that clear,” even though it was a NASA OIG contract. O’Keefe was brought into NASA to clean up the financial system; he told Congress the financial system would not continue to be an issue. [redacted] told O’Keefe PWC was going to issue a disclaimer, or a qualified opinion, on NASA’s financial statements. Ultimately, [redacted] of PWC was fired and the contract was re-competed, but the solicitation was pulled back. The following year PWC was fired and replaced by Ernst and Young (E&Y). [redacted] said it went from a fixed price contract to a time and materials contract, and they spent three or four times over the amount they did with PWC. [redacted] thinks COBB did O’Keefe’s bidding by firing PWC.

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On April 26, 2006, [redacted] was interviewed (**Exhibit 79**). [redacted] indicated O’Keefe was very impatient, and she remembers there being an issue pertaining to the NASA financial audit. The agency was changing accounting firms from Arthur Anderson to PWC. PWC was not going to give NASA a clean review. [redacted]

[redacted] was fired and O’Keefe [redacted] COBB was going to [redacted]

On May 23, 2006, [redacted] was interviewed (**Exhibit 128**). [redacted] stated the financial statement audit was a “tough” audit. Arthur Anderson had issued NASA clean opinions five years in a row. In 2002, PWC took over in place of Arthur Anderson, conducted an audit, and issued a disclaimer. [redacted] noted PWC could not “get their arms around the evidence and NASA’s systems were screwed up.” [redacted] advised PWC could not rely on NASA’s controls, and when they issued the disclaimer “things got real interesting.” [redacted] testified to Congress to explain why there were clean opinions for five years, then suddenly there was not. This created a lot of tension between PWC, O’Keefe, and COBB. Former NASA General Counsel Paul Pastorek attended audit briefings personally to ensure PWC was getting everything they needed, but still there was tremendous tension between PWC and NASA. [redacted] opined the bulk of the responsibility for the poor working relationship with PWC was NASA’s fault. Ultimately, the decision was made to terminate the PWC contract and start over with another audit firm. COBB [redacted]

[redacted] On one hand, NASA and PWC staff was not getting along, and ne



understood how the tension and scheduling pressures worked against maintaining PWC. On the other hand, [ ] noted that bringing in a new auditing firm meant they would have to start the process all over, and this worked against bringing in a new firm. In the end, COBB decided the contract would be re-bid. The new contract was awarded to E&Y. Currently E&Y is having similar issues to those PWC had with NASA.

On June 6, 2006, [ ] was interviewed (**Exhibit 142**). [ ] heard [ ] had offended O'Keefe. [ ] with O'Keefe to discuss the upcoming opinion PWC was going to give on NASA's financial statements. Rumor was that O'Keefe regarded [ ] as flip and disrespectful, and when she advised him of PWC's upcoming opinion, she was too cavalier in dropping this major bombshell. O'Keefe wanted to meet with the President and/or Chief Executive Officer of PWC to discuss his dissatisfaction with PWC.

COBB also became critical of PWC's performance. [ ] believes O'Keefe's meeting with PWC gave the appearance that O'Keefe was trying to influence the audit opinion, which is supposed to be independent. [ ] believed it was ill-advised, however, he believed if the Administrator was to be part of the meeting, then the IG should be there as well. [ ] is aware that the meeting took place. Shortly after, arrangements were made to dismiss PWC and put out a solicitation for another firm. There were issues with the solicitation, but in the end E&Y was the only bidder. E&Y now has the contract, and they are having the same issues with conducting the audit that PWC had.

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On June 28, 2006, [ ] was interviewed (**Exhibit 185**). [ ] provided general information about the financial statement audit. His response is located on page 19 line 10 through page 20 line 11, and page 57 line 18 through page 59 line 7, of the interview transcript. [ ] stated, in part:

SPECIAL AGENT [ ] And do you know anything about [ ] being asked to leave her post as the Inspector General at NASA?

[ ] No. I have no personal knowledge of that. There were rumors at the time that she was asked to leave. But I have --

SPECIAL AGENT [ ] Do you know what was being rumored as to why she was being asked to leave?

[ ] I don't recall at that time. Since I've been -- since I was at a NASA, you know I've heard some different stories; one having to do with the financial audit, where essentially she surprised Shaun [Sean] O'Keefe by telling him that she knew that he had come from DOD and that they were going to make him feel right at home at NASA and told him that he was get a disclaimer on the financial statements.

My -- the story that I heard, and I heard this from the partner of Price Waterhouse Coopers, who was at the meeting, [ ] was that there had been no disclosure of that information to anybody in NASA prior to that meeting, and so it was a total surprise.

SPECIAL AGENT [ ] Okay. Did Mr. Cobb brief Mr. O'Keefe on or NASA senior management on NASA OIG, ongoing NASA OIG audits or investigations?

[ ] As I said, if during these meetings we thought there was something that warranted his attention, yes.

SPECIAL AGENT [ ] Right. Generally, what would that be? What were the types of things that would be --

[ ] Well, I would have to say primarily that they were in the financial management area. That was a -- during the early years, and I refer to that as the early years that both Moose and I were at NASA, financial management was probably the biggest issue we were dealing with and it probably still is today.

But at least Moose devotes a little less time to that, and I think that I devote a little less time to it now. But it was something that consumed an enormous amount of our time.

It was an area that was problematic. It was problematic not only because the agency's system was in such poor shape, but also our staff and the public accountant who was on contract with us at that time did not have an effective working relationship with the agency.

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And so our efforts were aimed primarily at one, trying to correct the working relationship problem, and, two, help the agency recognize the significance of the problem that it had.

On June 29, 2006, Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB provided general information about the financial statement audit. His response is located on page 152 line 11 through page 153 line 3, and page 417 line 14 through page 420 line 18, of his interview transcript. COBB stated:

Q. Did he have input into how audits or investigations were conducted?

A. Mr. O'Keefe is an extremely opinionated person. However, I also say that he's been around government long enough to recognize what the role and function and value of an independent Office of Inspector General is.

Did he ever suggest that we should conduct an audit activity of some given circumstance? It may be that he did. We had extensive dealings in connection with the chief financial officer, financial statement audit; and he expressed all kinds of opinions with respect to how that audit should be conducted, what the auditors -- he would tell the auditors what -- you know, get into the arcane rules of government accounting with the auditors when we had regularized or semi-regularized meetings related to financial audits.

Q. Do you know if Mr. O'Keefe ever wanted to meet with the top management of Pricewaterhouse and if it ever occurred?

A. Yes, he did.

A. Yes, he did.

Q. Do you know when where what took place?

A. I'm sure there's a complete and available record of those meetings.

BY

Q. We're asking your knowledge.

A. Yes. There were meetings. I can't -- if I thought about it long and hard, I'd probably be able to get you some time frames. There were meetings with O'Keefe and senior PWC folks. I can -- two -- I'm not sure what you mean by senior. Because there were varying levels of meetings. Meetings between my office, Pricewaterhouse, and senior staff including Mr. O'Keefe and again those were at varying levels and there were a fair number of meetings over a period of time.

Q. Did you say you were in some of those meetings?

A. Absolutely.

Q. What was discussed in those meetings that you were at? You were at?

A. Well, I'd say that Mr. O'Keefe was very disturbed when I arrived as inspector general that NASA had no indication -- this is all on hearsay because I wasn't there -- other than afterwards -- that NASA had no indication that it was going to get a disclaimer on its financial audit and felt as though it had been surprised in connection with the disclaimer that was issued in January of 2001.

So I think that O'Keefe's perspective was that he needed some explanation of, in effect, what had happened in connection with that. There was a perception by Mr. O'Keefe -- and as I indicated before, our office didn't have adequate staff at headquarters to handle the financial audit statement activities; and so there was a perception basically that PWC hadn't done the job in connection with being communicative and also some concern as to whether or not they put the level of effort into conducting the audit in 2001. That led to meetings.

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There was substantial attention on my part,  part, substantial attention by the agency in connection with this disclaimer that it issued, that it got in 2001 and subsequently, and subsequent years, in 2003, 2004; 2002 it did not get a disclaimer.

Q. Were you ever advised by anybody that Mr. O'Keefe's meeting with Pricewaterhouse gave an appearance that he was trying to influence the audit opinion which was supposed to be issued?

A. There might have been any number of discussions we have in the office. Whenever you have a decision to make, we have discussions in the office as to what is appropriate and what is not appropriate. That would -- that collaborative discussion would take place, a decision would be made. It wouldn't surprise me that we talked at great length about appearance issues in many different fora and that that was likely one.

Q. To your knowledge has Ernst & Young had the same problems as Pricewaterhouse with -- you know -- opinions and so forth in the statement of the finances of NASA?

A. You're going to need to be more specific in terms of the nature of the problems you are articulating.

Q. Let me ask it this way: Is there -- is Ernst & Young experiencing any problems with NASA with the audit they're conducting of NASA, their financial audit?

A. Beyond the fact that they disclaimed the opinions on the financial audit in terms of the management and execution of the audit?

Again I'd say there's a big problem. They're issuing disclaimers each year. At various times -- there's times when there's been talk about it being worse than a disclaimer.

**Allegation 3** – Inspector General COBB killed a proposal to audit NASA's termination of the X-38/Crew Return Vehicle (CRV) project.

**Investigative findings:**

[redacted] submitted a complaint through the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 8**). In his complaint, [redacted] stated that in December 2002, COBB killed a proposal to audit NASA's termination of the X-38/CRV project, which the Agency terminated without performing a cost-benefit analysis. By doing so NASA left the International Space Station without a near-term replacement for the Soyuz. COBB said that he was not interested in auditing dead programs.

On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). [redacted] advised that in December 2002, COBB "killed" an audit proposal that [redacted] group proposed that would have audited NASA's termination of the X-38/CRV as related to the International Space Station (ISS). [redacted]

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[redacted] noted that before COBB was the IG, the review of an audit proposal or announcement letter, and the approval to conduct the audit, was typically done by the Assistant Inspector General for Audit (AIGA). However, under COBB this procedure changed; COBB became the individual who reviewed and approved proposed audits.

The proposed audit of the X-38/CRV project was never undertaken even though [redacted] group felt it was a critical audit to undertake. [redacted] group felt it was critical primarily because NASA's decision to terminate the X-38/CRV project, and instead design a crew transfer vehicle, may have increased the timeframe in which the United States (U.S.) had no ISS crew return capability. Beginning in 2006, the timeframe the U.S. had no ISS crew return capability would increase from two years to at least four years. [redacted] explained in 2006, Russia's commitment to supply the Soyuz return vehicles would end. The U.S. would become responsible for supplying return vehicles for the ISS in 2006. With the cancellation of the X-38/CRV, the U.S. could be left with no viable option but to continue the use of the Soyuz vehicles. Under the terms of the Iran Nonproliferation Act of 2000, NASA was precluded from purchasing goods or services from Russia [the purchase or lease of the Soyuz vehicles] without the President of the United States involving Congress in the approval of such a purchase.

In an attempt to convince COBB that the X-38/CRV audit was critical, or at least that some similar audit that would address the U.S. lack of a viable ISS crew return capability was needed, [redacted] group drafted numerous proposals and responses to questions posed by COBB to their audit proposals, during November and December 2002, and January 2003. COBB never approved the X-38/CRV audit, or any of the other alternative audits they proposed.

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[redacted] believes COBB did not approve the audit of the X-38/CRV project because the audit findings would have been embarrassing to NASA. [redacted] believes the audit would have shown NASA was putting the ISS at risk because the U.S. did not have a viable plan to return crewmembers from the ISS. At a minimum, the audit would have shown a "gap" in time existed relative to the U.S. having a viable plan for return of

crewmembers from the ISS. [ ] also believes by squelching the audit, COBB may have been trying to shield then NASA Administrator Sean O'Keefe (O'Keefe). It would not have boded well for O'Keefe if he had to go to the President and ask him to go to Congress and request an exception to the Iran Nonproliferation Act. If this had happened, NASA's actions relative to the X-38/CRV project, and issues related to termination of the project, may have come under scrutiny by the White House, Congress and/or the American public.

To [ ] knowledge, COBB never communicated his reason for not approving the audit had to do with wanting to avoid embarrassment for NASA. COBB simply stated he would not approve the audit because he was not interested in auditing "dead programs." If he did not personally hear COBB say this, then someone told [ ] that COBB gave this as his reason for not approving the audit.

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On March 10, 2006, [ ] was interviewed (**Exhibit 41**) regarding the X-38/CRV proposed audit. [ ] stated that there was going to be a gap between the last Soyuz and the next generation space vehicle because NASA had only contracted with Russia for a certain period of time. The big issue was that "we would have people up in space with no way to get home, or get others up there." NASA could not extend the contract with Russia because it would be a violation of the [Iran] Nonproliferation Act. [ ] advised that [ ] tried hard to get an audit started on this issue, but COBB would not let them do anything. [ ] believed it was because this would have embarrassed NASA. [ ] heard that in the last couple of months, NASA might have received an exemption to the Act, allowing them to continue to use the Soyuz until the next generation space vehicle is available.

On May 17, 2006, [ ] was interviewed (**Exhibit 117**). [ ] was asked if she had any knowledge of the request for an audit of the X-38/Crew Return Vehicle project and its failure to be initiated as stated by [ ] stated, "It's managements call how to use the resources." [ ] does not recall the particulars of the audit request. She opined, [ ] may not have wowed management on the audit." [ ] stated sometimes you have to sell management on an idea.

[ ] agreed NASA needed a crew return vehicle but possibly COBB was privy to high-level NASA management meetings that discussed alternatives. [ ] stated [ ] did not have a good relationship with COBB and possibly COBB did not share this information. [ ] stated that it was [ ] to inform management about possible problems, and management's job to make a decision on how to proceed.

On June 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB addressed the allegation during his interview on page 370 line 20 through Page 385 line 10, of his interview transcript. COBB stated, in part:

If somebody down the chain of command says we ought to conduct an audit in such and such, I'd say work through the process, make your recommendation, or that might sound like a good idea, what's your boss think about it. Work it through the chain of command. I don't remember anybody coming to me and saying we need to conduct this audit; we want to tee it up for audit right now. I don't remember that happening.

Q. Do you remember [ ] group ever saying to you hey, we need to do an audit of this?

A. I don't remember [ ] doing this. Maybe he did it -- maybe there was some conversation about this prior to the circumstances that I just related. I don't recall it.

BY [ ]

Q. [ ]

A. Well, I don't know what was put in front of me. The fact that [ ] says something, that's interesting but -- you know -- I'm not here to denigrate members of or former members of my staff. I have to say [ ] was not one of the strong members in our office. I'll leave it at that. I don't know whether [ ] but I have some knowledge of this as I just articulated. We make our choices -- you know. I'm the inspector general. I'm asked to make decisions occasionally by staff, or they brief me on where they are, and I nod my head like this or ask questions. You know -- that's great.

Again, I'm very proud of the service. I'm very proud of my decision-making. And so I'm interested -- you know, I really don't care what [ ] is saying here. That's great, but what did my assistant inspector general for audit recommend to me? And what did I decide? What was teed up to me for decision?

Q. [ ] also said prior to you coming in as the inspector general -- it was the assistant inspector general for audit who typically reviewed the proposed audits or announcement letters, but that when you came in as inspector general, you became the individual who reviewed and approved proposed audits. Is that true?

A. Well, I'd say that I don't prepare the proposed audit -- .

Q. But do you approve the proposed audit?

A. Absolutely. They come across my desk. They articulate how we're going to be spending, what the recommendation is from the audit shop as to how the inspector general's resources are going to be dedicated. Most of these audits cost several hundred thousand dollars. The average audit. The idea that we're going to go down a path, yes, that is something I am interested in.

As it happens, the vast majority under current leadership, the vast majority of audit determinations I approve. But many times not only do I approve them but I'll identify the objectives aren't clear or suggest some additional objectives that relate to the matter. I might bring some of my independent knowledge of what goes on in the agency in terms of how we expend our resources. Yeah. What we're going to expend our resources on is something I do get involved with.

Q. You have no recollection [ ] proposals on this particular audit coming across your desk for review?

A. I don't have a recollection [ ] proposals coming across my desk. Maybe they were

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different drafts of the same document. I don't know what you mean. Are we talking about over the course of four years?

Q. No. No. No. Between November and December 2002 and January 2003, [REDACTED] [REDACTED] -- there were changes made because they were making changes relative to recommendations that you made; and in order to try to get you to understand how critical it was to do this, that none of their drafts, none of their recommendations were satisfactory.

BY [REDACTED]

Q. Did you ever say you did not want to audit a dead program as it related to this crew return vehicle audit?

A. Okay. I'm sorry. I may be misunderstanding what the original line of questioning was. I thought we were talking about a pod -- a pod for the space shuttle.

Q. Okay. We're talking about the X 38 crew return vehicle project?

A. That might well be my mistake in terms of what the applicable terminology is.

Q. Do you recall having any proposals come across your desk from [REDACTED] group asking, requesting, or proposing that this X 38 crew return vehicle project be --

A. I don't have specific recollection of it.

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BY [REDACTED]

Q. With regard to the question I asked about auditing a dead program, do you recall ever saying that?

A. I don't recall saying it. But you know, in terms of questions that I asked in connection with potential work, I expect when people have an audit proposal, they're going to be able to articulate what the advantage to NASA is going to be through our conduct of an audit.

BY [REDACTED]

Q. [REDACTED] said that you weren't interested in conducting this audit and wouldn't approve it because it could have potentially been embarrassing to NASA. Because it would have shown that NASA was putting the International Space Station at risk because the U.S. didn't have a viable plan to return crew members from the International Space Station. Was that a reason for not approving this particular audit, the X 38 crew return vehicle project?

A. Impairment to NASA?

Q. Uh-huh.

A. No.



Q. Okay.

A. Again, I don't have specific recollection of the conversations that we had about this among many other audit proposals. But impairment to NASA is never a consideration in any decision I made as inspector general. I'm trying to do the right thing and apply the best -- our resources in our office the best way I possibly can.

Q. He went on to say -- actually, this was another interview regarding the same matter. This individual said that it would have also -- would have shown the gap between -- that there was a gap between the period that the U.S. could return astronauts from the space station to earth. And that it was this individual's belief that that is also -- it was also their belief that that is why you would not approve the audit?

A. I think I know what your question relates to. Does it relate to a suggestion by anyone that we conduct an audit of NASA's not having an arrangement with the Russians by virtue of the Iran Non-Proliferation Act agreements?

Q. Yes. That's involved.

A. There are a lot of recommendations from staff to do certain audits. We don't always do them sometimes because we think they would not be an intelligent use of our resources. It was fundamentally a legal issue. Everyone knew about it. It subsequently was addressed through congressional action. To this day, I think had we spent a lot of time pointing out what everybody already knew, it would have been a waste of taxpayer resources to conduct that audit.

Q. That was one of the reasons, additional reasons that -- I believe -- that you gave -- do you recall --

A. Conducting audit activities to tell everybody what everybody knows doesn't seem to be a particularly efficient use of resources in my view.

**Allegation 4** – The substance of the audit report and recommendations was changed on an audit regarding Process Safety Management of Railroad Operations.

**Investigative Findings:**

On March 10, 2006, [REDACTED] was interviewed (**Exhibit 41**) based on information he provided to Senator Bill Nelson [Florida], which was forwarded to HUD OIG by the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 7**). During the interview, [REDACTED] stated there are several examples where Inspector General COBB has directly changed the substance of a report.

[REDACTED]

[REDACTED]

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In October 2002, the audit team forwarded a discussion draft audit report. This draft report went through the management chain to [REDACTED] who was then the [REDACTED]. The draft report had two findings with recommendations. The draft report stated the effect of not having the PSMP in place presented a risk of a catastrophic accident. This draft report also provided examples of mishaps that occurred on NASA centers, such as derailments, faulty wheels, and structural defects of the railroad carrying the hazardous materials.

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In November 2002, COBB changed the report format for all Office of Audits reports. Therefore, the audit team had to reconfigure this report to meet COBB's new format.

On December 10, 2002, [REDACTED] COBB had a phone conversation regarding the audit. This call is documented in the workpapers. COBB told [REDACTED] they "have no sound basis for stating the PSMP applies." COBB wanted an official opinion from OSHA. COBB also stated the "audit conclusion was based on a faulty premise." On December 12, 2002, [REDACTED] sent an email to the audit team. In the email, she clarified how the audit should generally proceed. Specifically the email stated that KSC was going to prepare an official request to OSHA. While OSHA eventually provided an opinion that the regulation applied, COBB did not want any further discussion on it. He only wanted the audit team to focus on railroad operations.

In January 2003, the subject and objectives of the audit changed. The report was to focus on the controls over railroad operations. Additional fieldwork was performed and a discussion draft audit report was completed. The new title of the draft audit report was "Controls Over Railroad Operations Involving Hazardous Commodities at the John F. Kennedy Space Center." This report did not mention the PSMP or the OSHA regulation. In June 2003, the audit report was issued, titled "Railroad Operations Involving Hazardous Commodities."

[ ] stated at the time of this audit, he/she was under the impression that IG COBB did not trust the auditors, and did not understand the focus of the audit or the audit process. Now, [ ] believes that COBB was not comfortable stating that NASA was not in compliance with a federal requirement and the "last thing the Center Director would want to hear is that they are not doing safety." In addition, [ ] heard COBB had a relationship with the NASA Administrator.

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Workpapers and audit reports regarding this audit, Assignment Number A-02-021-00, were reviewed. The following is a synopsis of this review.

On July 16, 2002, there is a workpaper indicating survey work began on this assignment.

On August 8, 2002, there is a workpaper stating, in part, "In light of the OSHA auditor's statements and our review of the Standard of Interpretation, the on-site movement and storage of hazardous commodities via railroad at Kennedy Space Center qualifies for Process Safety Management (PSM) coverage. [ ] email stated that PSM program applies."

On September 25, 2002, LaRocca sent an email stating, "As to the OSHA regulations, the Department of Labor promulgates these for the protection of workers. At the very least, any employer that has workers at the site should fulfill the requirement of the regulation."

On October 25, 2002, the Discussion Draft Audit Report was submitted to the OIG Editor by the audit team via email. The title was "Process Safety Management of Railroad Operations at the John F. Kennedy Space Center." The objectives were, "To determine whether NASA adequately implemented and monitored the Process Safety Management (PSM) requirements for highly hazardous chemicals at Kennedy." The "Results of Audit" was the NASA did not provide adequate oversight to ensure that its contractors implemented PSM procedures for processes involving two of the six highly hazardous chemicals. There were three recommendations in this draft audit report.

On November 27, 2002, there is a workpaper stating the draft audit report was delayed in being issued due to the Inspector General's changes to report format. The workpaper attaches an email from COBB, dated November 27, 2002, subject: audit work. Also attached is a sample Audit Report that reflects "Moose's preference."

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On December 10, 2002, there is a Memo for the File documenting teleconferences between audit staff, COBB, [ ]. The Memo for the File states, "Ultimately, Mr. Cobb believed that our conclusion regarding the applicability of OSHA's PSM Standard was based on a faulty premise." In addition, the Memo for the File reflected COBB stated that a report addressing

compliance with this standard "was a loser."

On January 28, 2003, a second draft audit report was submitted to NASA OIG Headquarters by the audit staff. The title of the draft audit report changed to "Controls Over Railroad Operations Involving Hazardous Commodities at the John F. Kennedy Space Center." The findings have changed to "Unsafe Condition of Privately Owned Railcars" and "Lack of Kennedy Oversight of On-site Railroad Operations." There were now five recommendations.

On June 27, 2003, the audit report was issued. The audit report number was IG-03-019, and the title was changed to "Railroad Operations Involving Hazardous Commodities at the John F. Kennedy Space Center." The objective of the audit changed was changed to, "Determine whether NASA implemented adequate management controls over the railcar operations of hazardous commodities at the John F. Kennedy Space Center." The results of the audit are now reflected as "Inadequate Surveillance of Inspections and Maintenance of Privately Owned Railcars," "Inadequate Track Maintenance and Inspection," and "Inadequate Kennedy Surveillance of Onsite Railroad Operations." There are three recommendations in the final audit report.

On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about this audit, and his response to the allegation is located on page 401, line 22 through page 403, line 12 of his interview transcript. COBB stated:

Q. Do you recall an audit report conducted by your office called the railroad audit where you believed that this audit was based on a faulty premise?

A. I do remember that one.

Q. Can you tell me why you felt it was based on a faulty premise?

A. I can't remember with specificity. I think my recollection is that the product was poor in many respects; but certainly [REDACTED] was familiar that there was some fundamental lack of understanding of applicable law that was relevant to the conduct of the audit.

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And [REDACTED] with my assistance, and I, we had a lot of comments to that audit product. Eventually, it was repaired and went out and was what it was at the end of the process. We issued the product subsequently.

Q. Did you have any concerns about stating that NASA was not in compliance with OSHA regulations?

A. I don't recall what the specific issues were, but again, we would have wanted to make sure -- you know -- again, it's silly for me to try to recreate a lengthy conversation that would have occurred in December of 2002 or something along those lines. So I just don't know.

Q. If you can't remember, that's fine.

A. I don't remember the specifics. I can tell you this. As with all of the work done by myself and [REDACTED] and others on our staff to make sure that the work gets done right and not say things that are wrong, yeah, we scrutinized these things. We asked a lot of questions. We worked our very best to get it right.

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As with that product, I don't think we did anything to hurt the product. I think we did it to make it accurate, make it based on law, et cetera, et cetera.

**Allegation 5** – Inspector General COBB denied a NASA OIG [redacted] request for NASA budget information that would have shown who was responsible for underfunding Space Shuttle infrastructure.

**Investigative findings:**

[redacted] alleged in a complaint he submitted through the Integrity Committee of the President's Council on Integrity and Efficiency that Inspector General COBB denied a NASA OIG [redacted] request for NASA budget information that would have shown who was responsible for underfunding Space Shuttle infrastructure (**Exhibit 8**). COBB and [redacted] stated that NASA OIG auditors were not entitled to the budget information and that it could pit former NASA Administrator Sean O'Keefe (O'Keefe) against the President. Several months later, the Columbia Accident Investigation Board (CAIB) criticized NASA for short-changing Shuttle infrastructure.

On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). [redacted] stated in December 2002, COBB denied [redacted] request for budget information that would have shown who was responsible for the underfunding of Space Shuttle infrastructure. On December 22, 2002, [redacted] spoke with COBB and [redacted] via a telephone conference call. [redacted]

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[redacted] were also in the room with COBB [redacted] during the conference call. During the call, [redacted] told COBB and [redacted] he could show a "trend" of underfunding of Space Shuttle infrastructure. In order to support his finding, [redacted] requested access to budget information. [redacted] told [redacted] when he was with [redacted] "We never ask that kind of information." COBB and [redacted] both denied [redacted] request for the budget information, and told him that they were not going to allow his request because it could "pit O'Keefe against the President."

During the telephone conference call with COBB on December 22, 2002, COBB told [redacted] very rudely to "shut up," when [redacted] was trying to explain the importance of getting historical data [budget information] as evidence to support a trend of under spending for Space Shuttle infrastructure.

[redacted] advised several months after [redacted] the budget information was denied by COBB and the CAIB criticized NASA for short-changing the Space Shuttle infrastructure.

It became clear to [redacted] Audit Managers within NASA OIG, they should not forward an audit report to Headquarters that contained any finding that would cause embarrassment to NASA, or to the NASA Administrator. Audit Managers learned if such an audit report were forwarded to COBB, he would "kill it." COBB communicated to the Office of Audits, in words and actions, he wanted to be a consultant to the NASA Administrator. COBB wanted to assist the Administrator in determining whether a proposed program was the correct path, or not, for NASA to take. [redacted] asked, "How do you audit that?"

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On March 10, 2006, [redacted] was interviewed (**Exhibit 41**). [redacted] a meeting with COBB, [redacted] in December 2002. An audit had just begun, and [redacted] wanted to obtain budget information, something that was

commonly asked for during an audit. [ ] believed the budget information was important for the audit and he wanted to determine if NASA had requested money in the budget for the infrastructure. It was [ ] theory that NASA could not say they have a problem, but then not request money for it. And, if money had been requested for the infrastructure issues in the budget, then [ ] wanted to determine where the money had been spent. However, COBB and [ ] said, "No, we are not entitled to that information" and indicated that it was "privileged communications between the agency head and the White House.

On April 19, 2006, [ ] was interviewed (Exhibit 65). [ ] was present during the teleconference, with COBB, [ ]. During the teleconference COBB told [ ] "Shut up, I haven't finished." [ ] said COBB's tone showed no respect, and his "unprofessional conduct set the tone." The antagonism between [ ] and COBB from that point was such that no matter what results the audit team discovered during an audit, COBB would not accept the results as fact.

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On May 2, 2006, [ ] was interviewed (Exhibit 87). Regarding the "Underfunding of the Space Shuttle Infrastructure" audit, [ ] stated while audit had findings/issues in this audit, the audit was terminated. [ ] recalls no report was issued, but a close out letter was sent to the auditee. [ ] stated the front office believed the audit staff did not have enough evidence to support the conclusions they made in the audit. The front office wanted to know "how does this impact safety" and wanted examples of how the underfunding resulted in safety issues.

In the December 2002 teleconference, the audit team wanted budget information to show the infrastructure budget had decreased over a number of years. COBB stated the auditors would "have to do their job without it," and he was not going to request the budget data. [ ] tried to provide an explanation as to the importance of the request, but COBB told [ ] "Shut up, I wasn't done talking." [ ] stated there was conflict from that point forward.

After the conference call, COBB did not want any more teleconferences. She heard COBB was very frustrated. COBB stated that all briefings to OIG management would be done in person in Washington, D.C.

On May 3, 2006, [ ] was interviewed (Exhibit 93). In approximately December 2002, [ ] attended a teleconference in which the Space Shuttle Infrastructure Audit Assignment was discussed. The audit team wanted to obtain budget information from NASA to show the infrastructure was under-funded. COBB did not agree the budget information was needed. The audit team had findings on this matter, but COBB wanted to know the "real effect" of the under-funding of the infrastructure and believed additional audit work was needed. The audit was eventually terminated without the issuance of an audit report and/or findings.

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On May 23, 2006, [ ] was interviewed (Exhibit 128). [ ] advised [ ] wanted budget data for the forthcoming budget year, however, NASA and the White House were conferring on and formulating the budget data [ ] requested, at the time of [ ] request. [ ] noted the budget data [ ] requested might have been considered privileged information as it had not been submitted by the President to the Office of Management and Budget (OMB), and was not final.

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[redacted] recognized [redacted] need for the budget data, however, he felt waiting until the budget was finalized, and then requesting the data, would have been more realistic, and thereby "fair game."

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A review of the CAIB report, released in August 2003, indicated that reductions in NASA's budget and NASA's budget for Space Shuttle infrastructure were of concern. On page 115 of the CAIB report, the underfunding of Space Shuttle infrastructure was addressed, stating:

"In 2000, NASA identified 100 infrastructure items that demanded immediate attention. NASA briefed the Space Flight Advisory Committee on this 'Infrastructure Revitalization' initiative in November of that year. The Committee concluded that 'deteriorating infrastructure is a serious, major problem,' and, upon touring several Kennedy Space Center facilities, declared them 'in deplorable condition.' NASA subsequently submitted a request to the White House Office of Management and Budget during Fiscal Year 2002 budget deliberations for \$600 million to fund the infrastructure initiative. No funding was approved."

COBB addressed the allegation during his interview conducted on June 29, 2006. His response begins at page 362, line 5 and ends at page 368, line 6 of his interview transcript (**Exhibit 182**), and states in part:

Q. It's our understanding that you would not allow the request and use of NASA budget information in relation to the proposed audit of the space shuttle infrastructure?

A. I think that was one of the issues addressed in the Washington Post article. My recollection of that is there was no proposal that came to me -- in fact I don't know whether I said no to this, or whether [redacted] got up and said no.

But what there wasn't in connection with this proposal was an articulation of how they were going to go and get data that related to whether or not there was an infrastructure problem in NASA and generate an audit.

What this was about was our auditor being told by the program they needed more money. And what they wanted to do was in effect get into the decision-making that takes place in the budget as to what the relative priorities are and articulate that, geez, in effect, whatever infirmity -- this probably had to do with something that was standard knowledge.

They need 50 million dollars to repair the roofs of the vehicle assembly building down at the Kennedy Space Flight Center. That along with other facility and related type issues.

What there were was people -- people in senior administration roles working with the Office of Management and Budget, determining an agency budget. They make choices as to what the best expenditures of dollars is. That's what our folks wanted to get into without any preliminary audit or activity reflecting there is an issue or problem.

That's my recollection of the issue. My recollection was I think [redacted] got up and said you got to be kidding me.

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Q. Did the Columbia Accident Investigation Board report or criticize NASA for short-changing the shuttle infrastructure? And that was the reason why they requested --

A. No. That wasn't the reason they requested this, unless we've got our time -- I thought the question you asked before related to an audit project that was being contemplated before the Columbia accident even occurred?

I may be confused on your question if that's not the case.

Q. Well, to your knowledge was there a request to do an audit of the space shuttle infrastructure after the CAIB report?

A. I don't recall, but had there been one, if -- if someone wanted to come in and conduct an audit, if there had been a recommendation, we want to do an evaluation of whether or not the infrastructure at Kennedy Space Center is sufficient to carry out the mission of the agency in a viable way.

You know, that would have been -- I would have said gee, that sounds like -- my recollection -- and I have no recollection of that happening. If it did happen, I would say that might be a good audit. How does it fit in your priority? Is that what you want to do? I might ask questions about it. If they want to know whether the launch pads are rusted and they're going to bring in engineers and analysts to determine that the launch pads are inadequate for carrying out the mission, I would have been very interested in an audit proposal.

I don't remember there being one, anything like that.

What they wanted -- before the Columbia accident, they wanted to go in and get into the budget decisions that were being made and the relative -- you know -- what -- whether or not -- whether or not somebody in a senior administration position such as Office of Management and Budget is making the right choices in connection with allocation of dollars.

BY [REDACTED]

Q. Do you recall ever telling an [REDACTED] to shut up during a teleconference in which a budget request was discussed? [REDACTED]

A. I don't recall telling him to be quiet.

Q. Shut up?

[REDACTED] The direct quote was "shut up."

THE WITNESS: I don't recall doing that. If it is telecon, that explains what the problem is with having GS-15s in the field when you're discussing important matters. You can't sit at the table, and these people would not come to headquarters to conduct serious conversations.

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BY [REDACTED]

Q. Are you saying he misunderstood shut up?

A. I'm saying that it is very difficult to have communications with people over that forum. That's one point.

What might have led me to in the context of -- what level of frustration in dealing with a person such as [REDACTED] would lead me if, in fact, I did say something like that which would be very unusual, I don't know. For the inspector general to get a word in edgewise sometimes with some of the staff, it was difficult.

Q. So are you saying that it's appropriate when you're frustrated to ask staff or tell staff to shut up?

MR. CALVIN COBB: That's not what he said.

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[REDACTED] She's asking.

THE WITNESS: It is important for me to get the mission of my office accomplished. When -- you know, the bottom line is -- you know -- yeah.

I'm just not going to answer the question.

[REDACTED] That's fine. If you don't want to answer the question --

THE WITNESS: Your question clearly reflects your own personal views on what you think is appropriate to occur in the context of a meeting. You know, I answered the question. I don't know whether or not I said that. I can tell you that -- you know -- I am focused on getting the job done in a way that I am proud of and I think that our work product reflects that.

Whether or not others in my office had similar dedication to getting the job done right is a separate question.

BY [REDACTED]

Q. Do you recall ever telling anybody, any direct report, any staff member to shut up?

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A. I don't recall ever -- I don't recall ever saying that. Am I saying it didn't happen? I am saying that would be a pretty unusual thing for me to -- more typically, I would stick my hand up and put it. Like this, indicating, you know, sticking my palm out, say, you know, that's enough. I've heard -- you know, great. Can I please talk or can we allow this other person to talk? We've got your point. I've heard it. Great.

Q. Just for the record, before we break, nobody on this side of the table, meaning [REDACTED] myself, [REDACTED] is spinning anything in any way to put any personal feeling into this. We have

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questions that we need to ask. We're asking them.

These are -- this is -- these are direct quotes from witnesses.

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THE WITNESS: I understand that to be your impression of the articulations.

**Allegation 6** – Inspector General COBB quashed a review by NASA OIG personnel of the Space Shuttle Command Destruct System/Communication between NASA and the United States Air Force (USAF) during Space Shuttle launches.

**Investigative findings:**

On February 22, 2006, [redacted] was interviewed (**Exhibit 29**) regarding complaints he made to the Integrity Committee of the President's Council on Integrity and Efficiency, which were forwarded to HUD OIG (**Exhibit 10**). During the interview, [redacted] provided an allegation regarding the command destruct transponders. [redacted] and several other witnesses were interviewed and advised there were safety issues with the command destruct transponders of the space shuttle on the launch of Space Shuttle Mission STS-111 (STS-111) on June 5, 2002. They explained the shuttle maintains two redundant transponders. The transponders cause destruction of the shuttle solid rocket boosters (SRB) during launch. This destruction occurs to avoid injury to those observing the launch and the general public in the case of a space shuttle accident. One of the transponders is used as back up to the other. If one of the transponders is not working prior to a launch, the launch should be stopped. The June 5, 2002 launch occurred even though it could not be verified that the command destruct system was working properly. Control of the command destruct system is maintained by the USAF. In 2002, there was a complaint regarding the command destruct transponders and the launch of STS-111. USAF OIG referred this complaint to NASA OIG in August 2003.

[redacted] determine if there was any nexus to NASA. [redacted] advised one of the problems was that a USAF Commander [name unknown] gave "the ok" to launch [the STS-111] in 2002, without conferring with NASA. NASA had no role in the decision to continue or stop the launch. The matter was referred to [redacted] that advised COBB told [redacted] to let the USAF handle the problem and did not let him do the audit. [redacted] said this was inappropriate because the original referral came to NASA OIG from the USAF. Further, COBB's decision not to look into the command-destruct problem came "on the heels of the Columbia crash."

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On March 10, 2006, [redacted] was interviewed (**Exhibit 41**) and stated a complainant named [redacted] wrote a series of letters alleging mismanagement. The USAF OIG looked into the allegations and responded to [redacted] however, the USAF OIG never addressed the STS-111 incident regarding the launch of the Space Shuttle on June 5, 2002. The USAF OIG said this was NASA's issue, and referred it to NASA OIG. NASA OIG Investigations referred the issue to the Office of Audit. In fall 2004, the review was assigned to [redacted] a safety expert assigned to NASA OIG, since there were some safety issues that needed to be addressed. The incident being reviewed was one in which the shuttle was launched over the objections of the safety officer and the mission officer, and the protocols were overridden outside of the communications loop.

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[redacted] advised that [redacted] day immediately following the launch, and made comments that the "range was never red during his command." In February 2005, [redacted] and [redacted] gave a briefing to the NASA safety organization at

Kennedy Space Center (KSC). [ ] met with COBB, [ ] on February 23, 2005. [ ] wanted to continue the review by obtaining the maintenance logs and communications tape from the launch, and conducting additional interviews. COBB told [ ] "Let the Air Force handle it." [ ] agreed, and said, "There was no issue here."

[ ] stated, "COBB was totally out of line not addressing this situation." Further, [ ] believed this review was cut because it would have been extremely embarrassing for NASA. While the incident happened prior to the Space Shuttle Columbia accident, the review was taking place after the Space Shuttle Columbia accident. [ ] recently heard there is an effort now underway to "get something out" on the command-destruct issue.

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On April 19, 2006, [REDACTED]  
[REDACTED] was interviewed (**Exhibit 62**). [REDACTED]  
understanding that the range safety/command destruct review was “killed” by COBB, [REDACTED]  
[REDACTED] with NASA OIG.

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[REDACTED] stated that the [REDACTED] overrode the advice of the safety officer and another person involved in the safety of the STS-111 launch. They both advised that the launch was a “no go,” and [REDACTED] authorized the Space Shuttle launch. According to [REDACTED] [REDACTED] review indicated that there was a policy that gave [REDACTED] the authority to override a “no go.”

[redacted] review of [redacted] work on range safety, she agreed that [redacted] did not violate policy. However, [redacted] stated that there was still an issue with range safety because if an SRB flies into an inhabited area, it is ultimately NASA's responsibility, not the responsibility of the USAF. In this case, USAF decided to launch the Space Shuttle, even though there were allegedly problems with the command destruct system. [redacted] stated NASA OIG is currently working on getting out a report on the range safety issue and acceptance of risk.

On June 19, 2006 [redacted] was interviewed (**Exhibit 163**). [redacted] agreed with COBB in waiting to see what the Air Force was going to do and what conclusions they would address. However, she believed NASA OIG needed to determine if they agreed or disagreed with the Air Force report and follow up on it. [redacted] knows NASA now has someone who "sits on the Range Operations Control Center." [redacted] performed some follow up after the last launch in July 2005. Apparently there were a few problems with coordination and equipment, and some basic "tweaking" still needed to be done and is being done. [redacted] has not seen the report, and she believes [redacted] still has the report. The report and support still have work to be done. COBB wants everything to meet audit standards, and this takes time.

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COBB addressed the allegation during his interview conducted on June 29, 2006. His response begins at page 444, line 22 and ends at page 452, line 24 of his interview transcript (**Exhibit 182**), which states in part:

Q. Did NASA staff, anyone on your staff, OIG staff, excuse me, ever tell you that they needed to continue with the review of the Command Destruct issue related to the launch of space shuttle 111?

A. That was another issue that The Washington Post got into.

My recollection of that is that I was briefed, that there was an issue and then I think the Washington Post said I was briefed in February of 2005 and the issue related to an Endeavor launch in June of 2002.

So I guess getting specific, the answer to your question -- your question was did people want to do something. And I think there were a couple of issues. One was -- an important issue to me on an ongoing standpoint was is there a problem in communication between NASA and the Air Force in connection with any issues arising out of the Command Destruct function. The resolution of the meeting was let's continue to look at that issue.

There was also a proposal to conduct what I guess amounted to an administrative investigation associated with the Air Force general who had retired, I believe, in August of 2002 as to whether or not his deciding to proceed over top of safety officials of the Air Force indicating that they had a concern with some redundant system on the Command Destruct vehicle, that our guys, a couple of folks were interested in continuing that line of inquiry.

And it seemed like -- didn't seem like a good idea to me.

Q. Do you recall ever telling [redacted] to -- quote, unquote -- "let the Air Force handle it" when they impressed upon you the need to go forward additionally -- to go forward with their review?

A. I don't know exactly what I might have articulated but one concern I might have said is whether I had jurisdiction over the exercise of a command decision by a U.S. Air Force general in connection with the exercise of his Air Force job.

Q. Well, this actually related specifically to obtaining maintenance logs and communication tapes. Wasn't related to the general's order.

A. Fundamentally at issue was whether or not this guy properly made a decision in his capacity as an Air Force general. That's my understanding of what the issue was.

Just like -- as a threshold matter in terms of deployment of our resources to go down that track, I mentioned -- it is right there in the Washington Post. Mike Griffin is electing to go forward with the space shuttle launch on Saturday over the objection of the no-go articulation from his chief engineer and the chief of safety mission assurance.

People make decisions all the time. Sometimes subordinates don't agree with them. That's a function. When I have people who represent that we conduct an investigation into that activity of the Air Force, when I understood -- I think -- I'm not positive of that, I thought there was already an Air Force inspector general conclusion there was not a problem. I'm not conversant completely with the record on that.

This was -- in effect -- we had what I considered to be a live issue. Is NASA disadvantaged in some way in connection with these communications between the Air Force and NASA in a way that it could be improved so that shuttle launches could be safer? That was an issue we thought was important and that our audit staff should, could and should appropriately inquire into. I think we've been conducting audit activity in connection with that ever since.

Q. [redacted] is one of the individuals who came to you and according to witnesses we spoke to impressed upon you he wanted to go forward with a review and not stop it at the juncture that you decided to stop that. [redacted] is U.S. Air Force active duty; is that correct?

A. He was on detail to our office, yes.

Q. From the U.S. Air Force?

A. Yes.

Q. Someone handpicked by you?

A. Certainly he was somebody who I knew and again after the Columbia accident, is a person who among others was -- I'm trying to bring in people who had safety and technical experience into the



organization so that we could intelligently comment on NASA's fulfillment of mission. He was one of those people. I knew him from my experience at the Columbia Accident Investigation Board.

Q. He was one of these technical experts you brought?

A. In yes.

Q. My question is why did you fail to listen to his recommendation if he was someone who was a technical expert? He was an active duty and still is an active duty Air Force Colonel, I believe? Did you not value his --

A. Lieutenant colonel.

Q. Lieutenant Colonel. All right. Lieutenant colonel. Did you not value his opinion as one of your technical experts?

A. I valued his opinion. We talked about the cold plate incidents. Everybody has their strengths and weaknesses. Lieutenant colonel [ ] his nickname is [ ] and it is not because of his deft manner of dealing with issues. He comes in -- he's a very hard charger. That's one of the reasons I liked him.

In the audit shop he wasn't one to necessarily abide the instructions of audit folks as well as they would have liked in terms of creating work papers and that sort of thing.

Q. He didn't have -- did he have training in preparing audit work papers?

A. You know, what his training records after he came into our office was, I don't know. But the essence of it was, yes, I valued having him in. He was very aggressive.

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Does that mean I'm going to take his recommendation in every instance? Absolutely not.

Q. Can you tell us why you disagreed with him on this particular issue?

A. Well, I already indicated that I had questions about the jurisdiction of my office to question a command decision.

Second from a deployment of resources standpoint, again, if [ ] was right there with me in connection with this briefing, I believe he had all the same questions. Whether it was me asking these questions or statements or whether it was him or whether it was somebody else in the chain of command, I'm not sure. I think [ ] might have been at that meeting. I don't recall. In answer, one a jurisdiction question. Two, is this an appropriate application of our resources to in effect conduct an administrative investigation with respect to an Air Force general who retired from service two and a half years earlier.

THE WITNESS: Right. And furthermore, getting to the core issue of safety that our audit

activity, to the extent that there was a defect in any communications systems that would occur between the Air Force and NASA, that we'd conduct an audit activity that would make sure that whatever communication systems were there would work properly.

BY [REDACTED]

Q. [REDACTED] tells us that or -- excuse me, a witness tells us that that's exactly -- actually, it was [REDACTED] That is exactly what he was trying to get to.

A. I would disagree with that characterization. What that part of it was trying to get to, you have the audit part getting at the communications systems between NASA. I don't know what else there was that was --

Q. He was --

A. -- getting involved in the audit. The part -- my recollection is again we're talking about a one hour briefing or, whenever that occurred in February of 2005. I thought what we had disapproved of was, in effect, a Miranda investigation of a command decision by a United States Air Force official.

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Q. But wasn't that fundamentally, didn't that break down fundamentally go to the safety of a space shuttle launch? And by not looking into this, this could potentially come up again in future space shuttle launches?

A. Like the one on Saturday where Administrator Griffin has overridden the decision of his chief safety officer?

Q. I can't answer that. I'm just asking you to answer my question.

A. I'm saying people in positions of authority make command decisions. It happens.

So the determination made by being in -- made by me and my staff in terms of how we were going to apply our resources was we didn't think this would lead to anything that was helpful and worthwhile, the deployment of resources of my office.

Q. At least two of your staff members thought it would.

A. Yes. They're not the people who were appointed to be inspector general.

**Allegation 7** – Inspector General COBB would not confront NASA on the issue of safety issues at the Dryden Flight Research Center nor allow NASA OIG administrative investigators to verify that NASA management had disposed of hazardous waste.

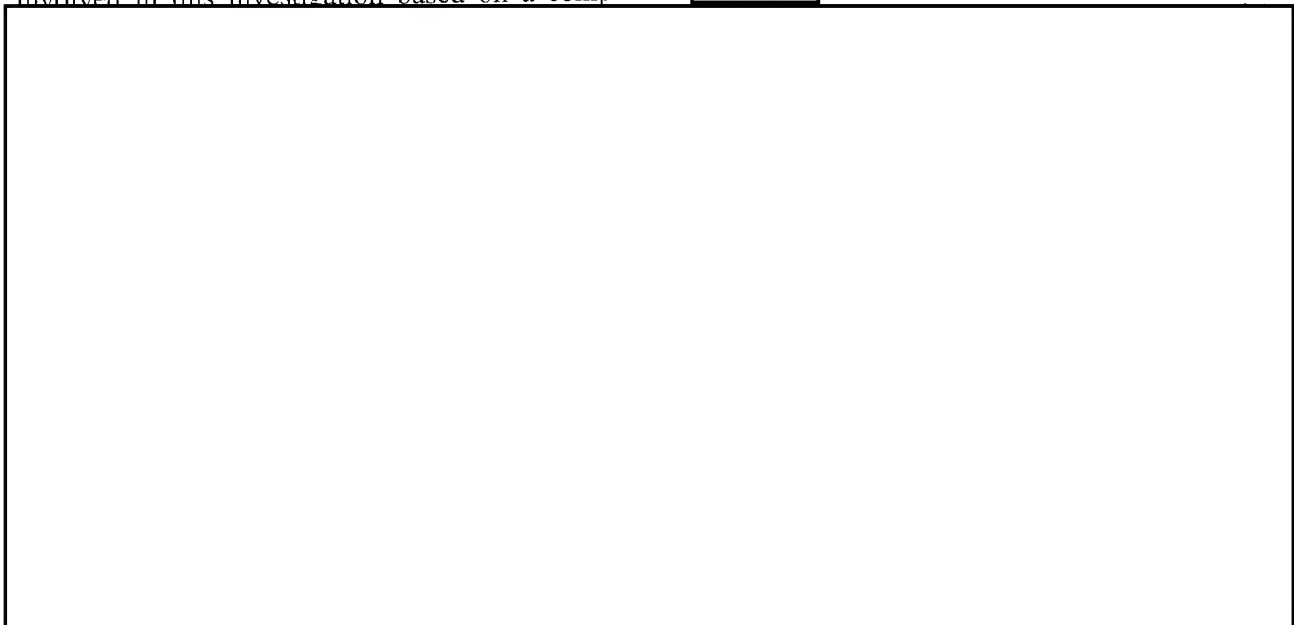
**Investigative findings:**

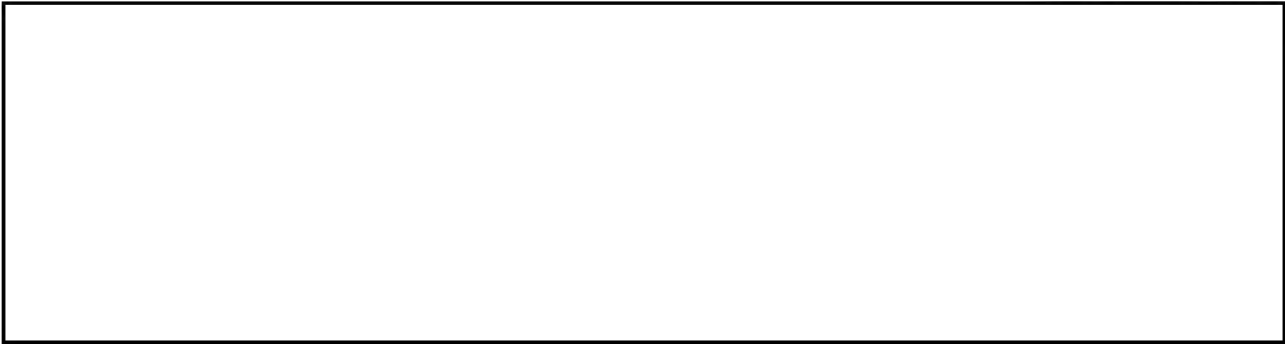
HUD OIG received a complaint through the Integrity Committee of the President's Council on Integrity and Efficiency from [REDACTED] (Exhibit 10). In his complaint to the IC, [REDACTED] stated that NASA OIG received an anonymous complaint involving the disposition of SR-71 aircraft and parts given to NASA by the U.S. Air Force. [REDACTED] complaint stated that the investigation of the issue revealed general programmatic safety deficiencies and potential unsafe conditions regarding the health and safety of resident NASA contractor personnel. [REDACTED] claimed that contractor personnel working in the warehouses were exposed to various hazardous materials. [REDACTED] complaint also stated that the investigation revealed that since NASA took possession of the aircraft and their associated parts, funding in the amount of \$600,000 per year since 1990 was expended for warehouse lease, salaries, and engineering support totaling approximately \$7.8 million.

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[REDACTED] said that a report was drafted, which recommended that management determine the identity, location, and quantity of property and hazardous materials stored in the two warehouses and implement a strategy to protect employees from harm. [REDACTED] stated that members of NASA OIG's Administrative Investigations Unit planned to revisit the facility for follow-up work in May 2003 and were "...told to stand down because this was 'a NASA management' problem."

On February 22, 2006, [REDACTED] was interviewed (Exhibit 29). [REDACTED] stated the NASA OIG was involved in this investigation based on a complaint. [REDACTED] advised the SR-71 was classified as





[redacted] advised that at NASA OIG Headquarters, there is a letter that went out to NASA management that accompanied the SR-71 report. [redacted] indicated that NASA OIG had a duty to expose this SR-71 issue because there was \$500-\$700 million of inventory that could have been turned over to other agencies for parts or other use, and all the costs associated with maintaining this classified equipment would be eliminated. In addition, the Safety Inspector found toxic waste on site and it was not properly reported to the Environmental Protection Agency (EPA).

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[redacted] stated COBB would not confront NASA management on any issues deemed embarrassing, such as the cost of maintaining the warehouse sites for the SR-71. In addition, the management at the Dryden Flight Research Center, California, had a principal involvement with the SR-71 issue and COBB did not address their involvement in the report. In sum, [redacted] felt the waste going on in the SR-71 situation was "the kind of thing that you would expect to see on 20/20."

A copy of NASA OIG's report was obtained and reviewed on May 2, 2006 (**Exhibit 90**).

On May 19, 2006, an interview of [redacted] was attempted (**Exhibit 121**) in order to corroborate [redacted] claims. [redacted] NASA OIG, refused to be interviewed.

On June 2, 2006 [redacted] was interviewed (**Exhibit 139**). [redacted] indicated that [redacted] asked him questions about hazardous classified materials and some kind of chemical. [redacted] advised that NASA says that the Air Force owned the SR-71 airplane parts and the Air Force, says otherwise. [redacted] advised, "All of the problems were not addressed, still today." [redacted] stated that there were hazardous materials stored/labeled improperly at the Dryden Facility and at the Barstow facility. [redacted] noted further the materials were probably not identified properly; most of the items [redacted] notified them of were not moved out of the warehouse; and a lot of the items were labeled with phony part and stock numbers. [redacted] stated, "Most of the items were disposed of by the Dryden Environmental personnel."

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COBB addressed the allegation during his interview conducted on June 29, 2006. His response is located at page 453, line 2 of his interview transcript (**Exhibit 182**), an excerpt of which is shown below.

Q. What can you tell us about the review of the SR 71 aircraft part and hazardous materials conducted by NASA OIG administrative investigators?

A. Not much. I remember there being an issue. What the issues were, there was a warehouse.

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There were parts; there have been a number of active issues that have related to that. We received various allegations about individuals I think stealing things or whatever; but in any event, I don't have a great recollection of the disposition of that issue.

Q. Okay. With regard to that investigation, is it true you would not allow administrative investigators to return to the warehouse storing the SR 71 parts to ensure NASA management had taken corrective action?

A. I don't recall that.

Q. You don't recall –

A. I don't recall having involvement – I don't recall that that was a decision, and if it was a decision, I don't recall having any involvement in it.

Again, in the context of the – several thousand things that I've been exposed to over the course of the last four and a half years, four and a quarter years, that would not have been one of the top things on the priority list. As far as I know. As far as I can recall.

**Allegation 8** – Inspector General COBB squelched a finding on the Audit of Barters on the International Space Station Program after conferring with Paul Pastorek (Pastorek), former NASA Legal Counsel.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 8**). On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). During the interview, [redacted] COBB regarding the Barters on the International Space Station Program Audit (Barters Audit).

In the email, Pastorek tells COBB that there are two points in the Barters Audit about which he would like to discuss when they meet. Specifically, Pastorek noted in the email that he wanted to discuss restricting the circulation of the Barters Audit because he had been advised by [redacted] that disclosure of the audit report findings, as was originally contemplated, would lead to showing foreign governments NASA's hand. Second, Pastorek stated he wanted to discuss his concern the audit report mentioned the possibility that NASA may have been in breach of their agreements with foreign countries if they took certain actions. Relative to that breach, Pastorek stated in his email to COBB, "I question the conclusion and I would like to see the analysis. I am doing my own analysis and so far cannot understand such a conclusion."

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[redacted] the auditors who worked on the audit, [redacted] were instructed to remove all audit findings from the Barters audit report, and include only the audit findings reported under the heading of "other matters of interest." This effectively removed four pages of audit findings, and left roughly one paragraph detailing the findings relative to other matters of interest.

A review of the contents of April 2002 draft report's "Other Matters of Interest" section, which consisted of four pages, to the September 6, 2002 final report's "Other Matters of Interest" one paragraph, which was moved to the Executive Summary, was conducted to make a determination if there were substantive changes from the draft to the final report. In addition, workpapers were reviewed.

**Draft Report:**

"NASA risks noncompliance with its intergovernmental agreement and memorandums of understanding if the Agency does not deliver the Habitation Module and the Crew Return Vehicle. The intergovernmental agreement and memorandums of understanding require NASA to supply a Habitation Module to support four crewmembers and a crew rescue vehicle to support the rescue and return of a minimum of four crewmembers. NASA has complied with the International Space Station (ISS) bartering agreements. However, because of ISS cost overruns and budget constraints, NASA reduced the ISS crew capability from seven to three. If NASA retains the reduced crew configuration, the Agency would be in noncompliance with the international agreements. Therefore, the agreements may need to be renegotiated, and NASA would likely be forced to assume a greater share of costs."

## Final Report:

“...As a result, NASA deferred certain elements considered high risk, such as the habitation module and the crew return vehicle. If no alternatives are provided, the absence of the deferred elements will limit the permanent ISS crew to three. NASA and the international space agencies negotiated two ISS bartering agreements based on a percentage of utilization rights contemplated with a seven-person crew configuration. To the extent that the two bartering agreements may be affected by a reduction in planned on-orbit resources, NASA should coordinate with the affected partner.”

Result of Review: The finding in paragraph one of the Draft Report, “NASA risks noncompliance with intergovernmental agreements” was not present in the final report.

On May 31, 2006, Pastorek was interviewed (**Exhibit 138**). Pastorek fielded a number of questions regarding the sharing of IG Audit reports. Specifically, a pre-draft of the NASA OIG Audit report on International Agreements/Bartering for the Space Station that COBB may have shared with him. Pastorek stated the IG frequently advised the administration about upcoming audits but that [REDACTED] [REDACTED] would have handled any details. His only concern with this audit was that if too much information was in the report, NASA might destroy their negotiating position with foreign countries. Furthermore, Pastorek said the IG used a hypothetical situation to criticize NASA rather than using facts and he took issue with that type of audit.

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**Allegation 9** – The substance of the audit report and recommendations was changed on an audit regarding the Independent Technical Authority and Safety and Mission Assurance.

**Investigative Findings:**

On March 10, 2006, [REDACTED] was interviewed (**Exhibit 41**) based on information he provided to Senator Bill Nelson [Florida], which was forwarded to HUD OIG by the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 7**). During the interview, [REDACTED] stated there are several examples where Inspector General COBB has directly changed the substance of a report.

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On April 18, 2006, a confidential source identified as [REDACTED] was interviewed (**Exhibit 57**). Regarding the Independent Technical Authority (ITA) and Safety Mission Assurance (SMA) audit, assignment number A-04-004-00, [REDACTED]

[REDACTED] Therefore, the very people that the SMA group was supposed to be overseeing were the same people they reported to and received funding from. [REDACTED] stated that the bottom line was the safety staff was not independent, and NASA needed to change the organizational structure. GAO and an independent study found this issue as well. [REDACTED] stated the audit team cited this in their draft audit report, and made recommendations, however, Inspector General COBB changed the report and the recommendations. In April 2005, Michael Griffin (Griffin) became the NASA Administrator. The first thing Griffin did was realign the Center Directors. Griffin made the change the audit team had recommended; the same change the audit team had been trying to convince COBB of over the previous year.

[REDACTED]

[REDACTED]



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[REDACTED]

In November 2004, NASA issued a new plan. COBB asked the audit team to review it. In January 2005, the audit team briefed [REDACTED]. The audit team told [REDACTED] "At this point you might as well shut down the assignment because COBB is not going to issue anything." [REDACTED] did not close the assignment. The audit team drafted a report in March 2005, titled "NASA's Technical Authority and Safety and Mission Assurance Lack Total Autonomy." In May 2005, the discussion draft was issued with one recommendation. In August 2005, the final report titled "Risks Associated with NASA's Plan for Technical Authority and Safety and Mission Assurance" was issued with no recommendation.

[REDACTED]

On April 19, 2006, [REDACTED] was interviewed (**Exhibit 62**). [REDACTED] reported an audit was conducted on NASA's SMA and ITA. [REDACTED] said the team had an issue with how the ITA reported up the NASA chain of command. The audit team recommended moving the ITA out of the SMA Directorate and having ITA personnel report directly to the NASA respective Center Directors. [REDACTED] said COBB did not agree with the audit team's recommendation. [REDACTED] advised the audit was conducted prior to Griffin's appointment to the position of NASA Administrator. [REDACTED] stated shortly after Griffin became NASA's Administrator, he independently implemented the audit team's recommendations.

On June 15, 2006, [REDACTED] was interviewed (**Exhibit 157**). [REDACTED] recalled that the "auditors were very frustrated that COBB was not using the normal techniques to report the results of the audit." COBB would converse with NASA management and sometimes the findings and recommendations were not tracked. In his past experience with the NASA OIG, the process was a more "rigid structure." [REDACTED] "Perhaps it's a better way to get quick responses or information to NASA, but if you don't keep track, how do you know if you are making a difference."

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On June 19, 2006, [REDACTED] was interviewed (**Exhibit 163**). [REDACTED] stated that the ITA audit report was a good example of a report that COBB changed. [REDACTED] would not have "gone down the same route" as COBB on this audit. [REDACTED] COBB's version of the report was "wishy-washy" and "watered down." [REDACTED] stated that there was a clear articulation of the issues in the draft audit

report. By the time the report was finally issued, the findings in the report were "overcome by events." Meaning in this case, the audit was ongoing for years, and by the time they were finally ready to issue a report, Griffin became the NASA Administrator, and made the changes the audit team was trying to recommend in the audit report.

A review of COBB's emails found an email from COBB to [REDACTED] NASA, dated March 17, 2004. In the email, [REDACTED] thanks COBB for coming by last night and restates his thoughts on the draft audit report. The last paragraph in the email states, "Moose, in summary, I cannot agree with either of your two recommendations because I have such a problem with your three conclusions. Do we need to talk some more?" [REDACTED]

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On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about this audit, and his response to the allegation is located on page 403, line 14 through page 404, line 16 of his interview transcript. COBB stated:

Q. How about on the independent technical authority audit report? One of your senior staff members stated that it was a good example of you changing a report, but they wouldn't have gone down the same route as you. Subjective, but that your version of the report was "wishy washy" -- quote, unquote -- and -- quote, unquote -- "watered down"?

A. I would say in connection with what I recall that staff presented to me on a number of occasions, that the -- their -- what their articulation of what was going on in connection with the independent technical authority was inconsistent with the facts and to such a point that that was a circumstance where the communication by me to the agency in, I believe, it was December of 2003 was a product generated mostly by myself with some benefit of -- and [REDACTED] is not enthusiastic about the front office generating, but it was an issue with which I had substantial familiarity by virtue of my participation in the Columbia Accident Investigation Board, my involvement in the Aerospace Safety Advisory Panel, considerations of issues, my personal discussions with a number of officials throughout NASA on independent technical authority issues.

So I had some comfort with what I articulated in that letter. As compared to the discomfort I had with the product that had been generated by staff.

**Allegation 10** – Inspector General COBB stifled the publication of audit findings for an audit regarding Wind Tunnel Utilization.

**Investigative Findings:**

On March 15, 2006, a confidential source identified as [ ] was interviewed to obtain information regarding allegations HUD OIG received from the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 44**). During the interview, [ ] stated, "COBB stifled the publication of audit findings," and provided several examples.

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[ ]

[ ] The audit was subsequently initiated in January 2005 [Audit Assignment A-05-010-00]. [ ] stated this audit is currently in process, but it looks like COBB will not issue this report either.

For this second wind tunnel assignment, Audit Assignment A-05-010-00, a memorandum was issued on June 1, 2006, to NASA. The memorandum stated the OIG was closing the subject assignment because significant changes in the management of NASA's wind tunnels have invalidated the OIG's initial work.

On June 19, 2006, [ ] was interviewed (**Exhibit 163**). [ ] stated if certain auditors forward reports to Headquarters "there is going to be problems." It would not matter whether the audit or the report was the best, it would never be good enough. For example, if [ ] forwards a report from [ ] it will not go through. This happened on the "Wind Tunnel" audit report written by [ ] [Audit Assignment A-05-010-00]. [ ] thought the second version of the report was good, however, COBB kept re-writing it over the next six months. By the time COBB was ready to issue the report, the report had no meaning because the findings were "overcome by events." [ ] stated had the second version been issued, the report would have been timely and relevant.

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**Allegation 11** – Inspector General COBB added a sentence to a management letter that the audit team felt they could not support.

**Investigative Findings:**

On March 10, 2006, former [redacted] was interviewed (**Exhibit 41**) based on information he provided to Senator Bill Nelson [Florida], which was forwarded to HUD OIG by the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 7**). During the interview, [redacted] stated there are several examples where COBB has directly changed the substance of a report.

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On April 19, 2006, [redacted]

A review of a Cross-referenced Management Letter from October 2003, has the following paragraph under the section "Other Comments:"

"The Columbia Accident Investigation Board report observed that NASA's efforts to make the over-budget and behind-schedule ISS credible resulted in pressure to meet an increasingly ambitious launch schedule. We are also concerned that unchecked cost growth in missions such as STS-107 may lead to an inordinate amount of schedule pressure to launch."

The above paragraph is cross-referenced as "PA4.w." A review of the supporting workpaper, PA4.w, reflected an email, dated September 5, 2003, from [redacted] to [redacted]. [redacted] The email states:

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[REDACTED]

The final management letter, issued December 10, 2003 and signed by [REDACTED]  
[REDACTED] states the following under the section "Cost and Schedule Pressure:"

"The Columbia Accident Investigation Board report observed that NASA's efforts to make the over-budget and behind-schedule ISS credible resulted in pressure to meet an increasingly ambitious launch schedule. This pressure may have contributed to the Columbia accident. The type of cost growth posed by the delays of the STS-107 mission may also contribute to an inordinate pressure to launch. Measures taken by the Agency to ameliorate such situations in the future may also improve overall mission assurance and safety."

On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about this audit, and his response to the allegation is located on page 401, line 22 through page 403, line 12 of his interview transcript. COBB stated:

Q. [REDACTED]  
[REDACTED]

A. Could you repeat the entire question?

BY [REDACTED]  
O [REDACTED]  
[REDACTED]

A. [REDACTED]

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Q. [REDACTED]

A. I'm just trying to remember -- .

MR. SOLLERS: That's the title.

[REDACTED]

THE WITNESS: I'm trying to remember -- I'm trying to figure out what the hardware was we were looking at and whether this was the -- I don't know.

[REDACTED]  
Q. Second question: [REDACTED]  
[REDACTED]

A. I really don't have enough information to know -- I don't recall doing that. You know, I'm

not saying it didn't happen. I need to look -- need to look at what we were looking at. I don't know what I'm looking at in terms of making comment.

Am I capable of saying in a particular case gee, based on my personal knowledge of issues at NASA, that that might be something that audit staff should consider inclusion in of an audit? Absolutely. We had an audit that said there was no schedule pressure in connection with activities, was my recollection. I took issue with that, too.

Q. So you're saying you would -- you would tell a staff member to include something like that in an audit if you had some sort of outside -- ?

A. I understand -- I understand what you're saying. Yeah. In connection with audit work, we write all kinds of comments down there. Does it do this? Is there something bigger here? Is there a more important issue? Is there a bigger inference that can be drawn from the information? Is this simply -- I'm making this up because I can't remember the specific issue involved here. Is this just a cost issue? Is there a safety issue? I might write safety issue? Question mark. Or -- you know -- conclude this. Then we have a discussion about it. The standing order is we're not going to put anything in an audit opinion we can't back up.

Q. That's what I'm asking. Did you ever ask for that to be put in an audit report?

A. Did I ever ask for anything to be put into a report and say -- and I don't expect your work papers to have a reference, other than that the inspector general put this in there? Absolutely not.

BY

Q. Was this not referenced? How was this referenced in the work papers?

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You have it right there.

No, in terms of the support.

There's an e-mail. This is what they used to reference this in the report because the audit staff told us they were not comfortable putting this statement into the audit report and you directed the statement be put in. What they used for referencing was basically that the IG comment was based on his belief about general relationships between -- .

Just a minute. Sure. IG comment, based on his belief about general relationships between cost delays, schedule pressures, and safety concerns. That's generally how it was referenced as supporting documentation in evidence.

THE WITNESS: Do you have an articulation, for example; did this get in the audit --

BY

Q. Yes. Here is where -- (indicating.) For the record, these will be marked as Exhibits 3 and 4.

THE WITNESS: Well, I can say that just from looking at it, without going through all the discussion, what the document is saying, the background, what my deputy's perspective was on the issue, so I'm being argumentative here rather than recalling from background, but that the sentence that's there is not an unnatural conclusion that could be reached from the prior sentence in terms of what the Columbia Accident Investigation Board said in terms of the relationship between budget and safety and launch schedule; and that similarly unchecked cost growth may relate to schedule pressure.

I would take the opportunity at this time to articulate if anything when this investigation was started, as articulated in many conversations we've had about failure to investigate safety issues, that to the extent it was my insistence that resulted in a sentence like this being placed into an audit report, it reflects my overriding concern for the safety of NASA's astronauts and its resources in carrying out its mission.

**Allegation 12** – The number of audits has decreased and NASA OIG is not issuing as many reports as they used to.

**Investigative Findings:**

HUD OIG interviewed several current and former NASA OIG employees to obtain information regarding allegations received from the Integrity Committee of the President's Council on Integrity and Efficiency. During several of these interviews, the following allegation was raised: "The number of audits have decreased and NASA OIG is not issuing as many reports as they used to."

A review of the number of audit reports and memorandums in NASA OIG's Semiannual Reports to Congress and the Office of Audits Central Information System (OACIS) from FY 2000 to FY 2006 was conducted (**Exhibit 184**). The results are indicated below:

FISCAL YEAR	AUDIT REPORTS	MEMORANDUMS	AUDITS CLOSED
2000	62	0	1
2001	40	0	8
2002	30	0	0
2003	29	3	8
2004	26	7	6
2005	29	2	7
2006*	7	9	2

\*As of 1<sup>st</sup> semiannual reporting period.

On June 27 and 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB addressed the allegation during his interview, and his response begins at page 346, line 13 of his interview transcript. COBB stated, in part:

Q. While you were inspector general, to the best of your knowledge, do you know if the number of audits and audit reports have increased, decreased, remained the same?

A. I don't know, but I can tell you -- .

MR. SOLLERS: You mean like on an annual basis?

BY

Q. The semiannuals that you provide? Have they gotten thicker? Thinner?

A. The thickness of a semiannual is separate from the issue that you articulate.

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Q. Yes.

A. I found in -- and part of this was what led to the reorganization of the office of audit and inspection. The quality in 2002, the quality of the work being generated was deplorable and relatively meaningless to the agency. The disconnect between, in particular the office of audits and the agency in terms of its production of work, again this gets back to the issue of there being 500 outstanding audit recommendations.

There was, in my view, the work was poor, it was relatively meaningless to the execution of the agency's mission. The agency generally ignored it. And that, in effect, what you had was when I arrived was a dysfunctional office. Now, I didn't know that when I came in, I learned it by virtue of my review and after [redacted] came in, his review, applying his [redacted] years of experience at [redacted] years as [redacted] when we looked at these products, they were terrible. There are still products that get put on my desk. I mentioned two yesterday that were separate, great. I still get product put on my desk that are just wrong on the law. We have recommendations that are inconsistent with law. That's something that I would take objection to. But in the fall of 2002, and really even after that, after we did the reorganization, the office was deeply flawed. I'm proud of the fact that I have an office that is working.

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The reports that we generate now are better than any reports I've seen the office previously generate. The volume is currently high. I don't know whether or not we are up or down. I don't care if we were up or down. What I care about is we do meaningful audits. They're going to be done right, in accordance with law. The facts are going to be right when we issue them. And these things are going to be meaningful to the agency and the agency is going to implement them. I think if you go to my statement in my first semiannual report, I think I articulate in that semiannual report my philosophy. If you want to track where we've been in a general way in terms of how we've conducted business, read my introductory letters to my semiannual reports and you will have a profound understanding in a positive articulation. It doesn't get into the negative stuff or my dissatisfaction with certain things. But it is implied in certain areas, that would be one.

**Allegation 13** – Inspector General COBB closed open audit recommendations without requiring evidence of corrective action.

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 8**). In his complaint to Senator Nelson, [redacted] wrote under the heading "Undermining of the Office of Audits," that he [COBB] closed open audit recommendations without requiring evidence of completed corrective actions and made it clear that directors should do the same.

On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). [redacted] stated that he is aware that after [redacted] COBB closed out a large number of outstanding audit recommendations without following the proper procedures. [redacted] stated COBB either arbitrarily closed out the audit recommendations without reason, or sided with NASA management in order to close out the recommendations.

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During two meetings, one on September 30, 2002, and a second on October 16, 2002, COBB, closed out all outstanding audit recommendations that existed prior to him coming on board with NASA OIG. [redacted] advised this could be verified by reviewing the audit tracking system that was in place during the time COBB took this action. A review of the tracking system will reflect a large number of audit recommendations were closed on, or around, the above two dates.

On March 10, 2006, [redacted] was interviewed (**Exhibit 41**). [redacted] stated that soon after COBB became the IG, [redacted] and other audit managers came to Headquarters and there were several meetings concerning follow-up of audit recommendations. Then they held a meeting with the [redacted] and NASA OIG's position was presented regarding outstanding audit recommendations. [redacted] stated that COBB "browbeat the staff to close them without any follow-up." [redacted] said that some of the audit recommendations closed were outdated, but others were the result of solid work and he said the "staff got sold out in the meeting when the recommendations got closed."

On May 23, 2006, [redacted] was interviewed (**Exhibit 128**). [redacted] As a result, many recommendations had expired and should have been closed. The audit recommendations closed were legitimately closed.

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On June 6, 2006, [redacted] was interviewed (**Exhibit 142**). [redacted] stated at one point, there were 600 to 700 open audit recommendations. There was an effort, led by [redacted], to conduct follow up and determine if the recommendations could be

closed. [ ] believed this started at the end of [ ] tenure. [ ] recalls there were many recommendations "written off" that dealt with programs NASA had terminated, thereby making the recommendations invalid. [ ] opined it would be "remarkable" if COBB [ ] were directly involved in a close out of a recommendation.

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On June 27 and 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about the closing of open audit recommendations, and his response to the allegation is located on page 55, line 15 through page 56, line 13, page 80, lines 12 through 22, page 254, line 24 through page 255, line 5, and page 369, line 25 through page 370, line 9 of his interview transcript, and states in part:

...At the time of the conversation that took place or roughly around the time, there were 500 or more outstanding recommendations from the Office of Inspector General that the agency had not implemented.

And this was something that was identified as an internal control weakness of the agency, that it internally -- and they kept chart -- I actually have seen a chart of -- because the agency tracked this audit resolution process after I came in such a way that because of my office working with the agency, this -- these 500 outstanding recommendations by October of 2005 had been reduced about 36.

So the IG office, they told me the IG's office makes unreasonable recommendations. They don't know what they're talking about. Sometimes the agency accepts them and doesn't take the action because no one really intends to take the action, the path of least resistance is to accept a recommendation and not implement them.

What the internal control -- the function of the internal control council is to identify the agency's weaknesses. So, for example, I mentioned this weakness of having outstanding audit recommendations.

That would have been an internal control council type issue that it was tracking to see whether or not the agency could retire that as being a weakness, which it did, I think, in October of 2005. It retired that as being one of the trackable internal control councils.

Also I talked about there being an outstanding -- a NASA document reflecting a number of outstanding audit recommendations when I arrived. And those, in effect, were something my staff worked hard with the agency to remove. I have a copy of that, of that document. I thought I'd hand it to you.

I found the document I referred to before that reflected this was a NASA document. Again, it tracked open OIG recommendations. I think they do it generally but they also did it in connection with OIG recommendations as to internal control weakness within the agency, which it was roughly from the time I came in until the fall of 2005.

And this document reflects the trends and open OIG recommendations from 1-24-2002 to March of 2006.

**Allegation 14** – Inspector General COBB hired technical people to replace traditional auditors. At one time, at least the [REDACTED]

**Investigative findings:**

HUD OIG interviewed current and former NASA OIG employees regarding complaints received from the Integrity Committee of the President's Council on Integrity and Efficiency. A common complaint mentioned was that COBB hired technical people to replace traditional auditors.

On February 22, 2006, [REDACTED] was interviewed (**Exhibit 25**).

[REDACTED] when COBB made a decision to have the Audit Directors located in Headquarters, COBB said he was doing this because he wanted all of the Audit Directors in Washington, D.C., where he could "get his hands around their necks and choke them." None of the Audit Directors wanted to move to Washington, D.C. As a result, COBB converted NASA OIG GS-15 Inspectors, stationed in Headquarters, to Audit Directors, and converted the field office Audit Directors to Associate Audit Directors.

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[REDACTED] reported that the inspectors COBB converted to audit directors "generally" did not have audit backgrounds. [REDACTED] was one of the Headquarters inspectors COBB converted to an audit director.

On March 15, 2006, a confidential source identified [REDACTED] was interviewed (**Exhibit 44**). [REDACTED] stated, "COBB filled positions with unqualified personnel." At least the AIGA, which is a SES position, and three Audit Program Director positions, all GS-15s, have no audit training or experience. [REDACTED] stated these people are:

On April 18, 2006, a confidential source identified as [REDACTED] was interviewed (**Exhibit 56**). [REDACTED] stated during one of the Audit reorganizations, perhaps when the I&A group was merged with Audit, there were technical people acting as audit managers. They were not in the GS-511 series and had no audit experience. This caused some issues between auditors and the technical people within Audit. Audits are supposed to be conducted in accordance with Generally Accepted Government Accounting Standards, also known as the Yellow Book. In addition, auditors have standards to follow when writing up interviews and document reviews.

On April 18, 2006, a confidential source identified as [REDACTED] was interviewed (**Exhibit 57**). [REDACTED] stated COBB hired technical people to replace traditional auditors. At one time, at least the AIGA, which is a SES position, and three Audit Program Director positions, all GS-15s, had no audit training or experience. [REDACTED]

[redacted] right after [redacted] came onboard, reorganizations, buyouts, and early outs took place. Many GS-511s were "runoff" during these buyouts and reorganizations, and COBB was filling their positions with non-511 staff. COBB had the opinion and attitude that "anybody can do audit." Some of these non-511 people that were hired who did not have audit backgrounds and were not familiar with audit standards were in charge of audits, and there were some problems. Audits are supposed to be conducted in accordance with audit standards, and this statement is written in audit reports. If the technical/non-511 staff are running audits, and not following standards, then there is an issue. For example, at one time the [redacted] Audit standards do not apply to I&A reviews. However, audit staff heard that [redacted] [redacted] did not get along with COBB, and COBB chose [redacted] because [redacted] "thought outside the box and could get stuff out."

On May 2, 2006, [redacted] was interviewed (**Exhibit 87**). [redacted] provided an example in which audit work was completed, but it took almost a year to issue the audit report. [redacted] [redacted] detailed to NASA OIG, primarily conducted the work on a review of cold plates (a shuttle part), and completed it around June or July 2005. The report, which was changed to a memorandum, was not issued until April 28, 2006. [redacted] believes part of the problem was the audit was not conducted in accordance with audit standards, and [redacted] had to go back and complete work papers and have the report independently referenced. [redacted] stated that NASA OIG employs technical people, like [redacted] who conduct audits, and these people do not have an audit background. Currently, most of the technical staff work under the guidance of experienced auditors.

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On May 2, 2006, [redacted] was interviewed (**Exhibit 89**). [redacted] advised that the Office of Audit has hired technical staff. [redacted] [redacted] stated that it was very difficult with the technical staff, as they had no knowledge of Teammate or audit standards. [redacted]

On May 3, 2006, [redacted] was interviewed (**Exhibit 96**). [redacted] attended the July 2005 ALR conference in Lancaster, Pennsylvania, and COBB [redacted] were speakers. COBB spoke about the changes he had been making in the Office of Audits and his point of view was "you don't need auditors to do audits." COBB continued by stating he had changed the staffing at NASA OIG by hiring individuals who were not in the 511 (auditor) job series.

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On May 16, 2006, [redacted] was interviewed (**Exhibit 111**). [redacted] was questioned regarding the restructuring of the Office of Audits and the Office of I&A. [redacted] advised some of the realignments were done in attempt to boost productivity. [redacted] said that Office of I&A was a very productive unit, whereas the Office of Audits was not. [redacted] believed COBB placed Inspections supervisors in charge of the Office of Audits in an attempt to increase productivity. [redacted] said in practice this did not happen because the Inspections supervisors did not know the audit process and the auditors did not like the Inspections supervisors. [redacted] stated that the idea was good, but the implementation was poor.

On May 23, 2006, [ ] was interviewed (**Exhibit 128**). [ ] stated COBB also put non-511 series staff into Director positions. These inspectors were now over audit staff, and they had to apply audit standards. [ ] stated this was "odd in the IG community" in that you have 511 staff and non-511 staff, and the non-511 staff are put in charge of the Office of Audits. [ ] stated some of the staff were more successful than others. For example, for Procurement Audits, [ ] was brought in. [ ] was not a 511, but is a [ ]. Then there was [ ] who was from NASA and had [ ] experience, however, he "could not handle it" and if he had not left NASA OIG, he "would have been on a PIP." [ ] came in, "didn't have a clue" and ended up leaving. Coming up through the ranks as a technical person in another job series doing audits is one thing. Staff can be trained and can learn to follow the Yellow Book. However, the higher you go, the harder it is to meet the qualifications. [ ] stated COBB was made aware of all the potential issues by several staff, including himself. COBB did not see much of a difference between audit and inspections, nor did he see much of a difference between audits and investigations. Several staff members, to include [ ], advised COBB of the potential issues that could arise if he merged the two offices, nonetheless, COBB decided to merge them into one because he believed all staff were interchangeable.

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On June 6, 2006, [ ] was interviewed (**Exhibit 142**). [ ] had frustrations with the Office of Audits being a very traditional audit organization. He felt the office was inefficient, and used the "Yellow Book" to slow things down. [ ] stated COBB wanted to get rid of the 511s and fill the positions with scientists, engineers, other special experts, and use their technical expertise in conducting reviews. COBB did not feel it was necessary to have both an Office of Audit and an Office of I&A.

On June 29, 2006, Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB addressed the allegation, and his response is located on Page 385, line 12 through Page 395 line 9, and states:

Q. The technical audit staff, you hired individuals who -- ?

A. Yes.

Q. -- had technical backgrounds to conduct audits. Were they doing audit work and helping prepare reports on work papers that would comply with Yellow Book standards?

A. My direction to the audit staff would be to manage their business in such a way that it would comply with such standards and requirements as would apply to whatever particular work product that we were generating.

Q. So -- ?

Q. Was it your direction ever that every product coming out of the office of audits was to comply with Yellow Book?

A. I have said that on occasion, but it really isn't my -- it's not my biggest concern that every product come out compliant with Yellow Book. My view, my understanding of the Yellow Book, it's not that hard to generate products that comply with Yellow Book, not nearly as hard as audit staff represented it to be.

Again fundamental principle. Yellow Book. You can back up what you're saying and I certainly made it clear when we have audit products or reviews or reports that we are generating, I want to back up whatever factual assertions we have and have the evidence well documented, that we're able to do that. That's essentially the principle.

Now, in terms of my direction to the [REDACTED] it is yes, let's conduct the business in such a way that if possible we can comply with the Yellow Book. If we're not complying with the Yellow Book, let's articulate that, but that's a detail that is not the most important thing in the world to me. The most important thing is when we generate audit work, review work, inspection work that it's done right and we can back it up.

Q. Did your technical people have an understanding of how they were to document their work?

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A. You know, again, how they're going to document the work is to me the responsibility of my [REDACTED] We wanted to have the tools to intelligently comment on the technical activities and safety activities of the agency rather than simply taking it from others in terms of having people go out and ask a limited scope of people what they thought and spit it back.

We wanted to be able to do some technical analysis and understand the issues we were getting after. As far as how that particularly was reflected in our work papers, that would be a matter that I would defer to staff and not try to articulate exactly how we were to document and how we were going to conduct our functions as an audit office.

Q. But if you made the decision to hire these technical individuals, you had to ensure that they had the skill and the knowledge and how did you ensure? Were -- did you put them through rigorous audit training?

A. Skill and knowledge to do what?

Q. To conduct these audits? They're technical people doing audit work?

A. Technical people that are usually teamed up with auditors.

Q. Okay.

A. In the context of an audit. This is not uncommon. General Accountability Office, again [REDACTED] worked there for [REDACTED] years. Having specialists in the field that you are auditing can be useful conducting audit activities. Exactly how we were going to take care of the mechanics of their -- what level of audit training they would get, how work papers were to be conducted.

I certainly wanted to make sure that we did everything by the book, and typically that meant the Yellow Book, because I see no barrier to I can make sure that our work gets done pursuant to the Yellow Book, because it stands for the proposition and if you can't meet some element of the Yellow Book, you can articulate that you didn't meet that element and still comply with the Yellow Book.

So yes, there was a lot of consternation among the GS-5-11 audit community that we would hire anyone other than people with 36 hours of accounting. By the way, oddly, other than financial statement audit, we hadn't done a substantial amount of financial statement auditing. It was doing performance auditing. To me, having people skilled in understanding a safety or engineering issue conduct a technical audit made a lot more sense to me than having somebody qualified for the position by having 36 hours of financial audit experience.

Q. When -- .

A. I mean accounting in school.

Q. When these technical experts did a review or an audit or participated, how were their findings communicated, findings and opinions?

A. I'm going to object on just a fundamental ground. I'll go back to the executive order, the integrity -- what's the law, policy, regulation, gross mismanagement, gross waste of funds that we're talking about here?

: Independence of the IG, Mr. Cobb. Are you going to answer the question or not? We're looking at independence of the IG and the IG's function. That's the answer to your question.

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THE WITNESS: The -- we got a peer review function and we've been peer-reviewed and will get peer-reviewed again.

Q. I'm asking what your knowledge is?

A. What my knowledge is of -- .

Q. Of how the technical experts communicate --

A. Through whatever media is the appropriate media for communicating at the time. So, for example, if we're engaged in an activity and we find that there's a serious safety problem, I would expect that we'd bring that to the attention maybe by an e-mail three minutes after we find item to communicate that that's the nature of our problem.

Otherwise what I considered -- I considered the manner and media of how we report, whether in an audit or audit report, or whether it is in a memorandum, or a letter, or it's an e-mail, or it's -- somebody scratching something on the back of a napkin, my perspective is what's important is the content of what you've got, making sure that it's right.

I considered the rest of it as to what the media was, functionally a detail to be handled by my audit staff. I might have had opinions on it. For example, if I got an audit report that said the same thing 10 different times, I'd say gee, that's not a very effective way of communicating. So sometimes I'd be concerned about the method of communication.



Q. Well, I asked because --

A. Again, I'd say [ ] again, [ ] years of audit experience. Pretty familiar with this territory. And very helpful to me in advising me on -- yeah, your sentiment that we were able to communicate facts to the agency is something that we can do as an office and we can do it timely.

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Q. Okay. I asked because one of -- or a number of the witnesses brought this up. In that they were concerned because the technical staff weren't schooled in writing up their audit findings or opinions, and that what would happen is that their audit opinions or findings would be communicated to their supervisors verbally. The reason there was a concern about this is because that caused a real lag time in getting these audit reports issued, because there was no documentation by the technical staff, and just briefing somebody verbally wasn't working, and so they'd have to go back and repeat the process. They'd have to go back to the technical staff, say how did you come up with this? What did you come up with? Did you ever hear that that was a problem?

A. I might have heard. Managing an audit office, making sure the files reflect exactly what I'm talking about, that you can document what you're saying, that's a critical issue. I'd say it is an issue that we're handling. We've got an office now that works pretty well on it and we've got this technical staff that's excellent and we're now able to generate audits on whether or not the problem reporting, corrective action system is working effectively. We couldn't do that two years ago.

A ...Excuse me. That's an excellent product which I'm proud of, that our office couldn't have generated three years ago. Now the fact that it creates challenges in terms of execution of an audit program and making sure that we get things backed up properly -- you know -- that may be a reality. That might be the price we've had to pay in order to speak intelligently on complex technical issues which in my opinion we were not doing before.

***Allegation 15*** – Inspector General COBB reorganized the Office of Audit several times. In addition, in summer 2003 and 2004, he requested authority from the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM) to buy-out up to 15 auditors (series 511), specifically targeting GS-15's.

***Investigative Findings:***

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 8**). In his complaint, [redacted] stated, "COBB reorganized the Office of Audit several times. In addition, in summer 2003 and 2004, he requested authority from OMB and OPM to buy-out up to 15 auditors (series 511), specifically targeting GS-15's."

On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). [redacted] stated that none of the audit directors wanted to move to Washington, D.C., so COBB converted NASA OIG GS-15 inspectors, already at headquarters, to audit directors, and converted the audit directors in the field offices around the country to associate audit directors.

[redacted] stated it was obvious to him that COBB had disdain for the NASA OIG Office of Audits, and its auditors. COBB's decision to reorganize the Office of Audits so that the audit directors were at Headquarters, was reflective of the actions he took to "purposely undermine" the Office of Audits, and NASA OIG's audit process.

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[redacted] reported that the inspectors COBB converted to audit directors "generally" did not have audit backgrounds. [redacted]

On March 15, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 44**). [redacted] stated COBB sent an e-mail to all OIG staff and referred to all the GS-15 Audit Program Directors in the field as "surplus." In addition, [redacted] believes COBB has engaged in acts that have disproportionately harmed older employees. These acts include reorganizations, one of which only harmed GS-15 audit employees, most of whom are in their early to late fifties, and requested buyout authority, which would only effect the GS-15 employees and auditors at the GS-13 and GS-14 grades. [redacted] provided a document titled, "Request for Voluntary Separation Incentive Payment (VSIP) Authority," dated July 21, 2003, which states, in part:

- As a result of the merger of the audit and inspections groups, the Office of Audit (OA) is overstaffed by five (5) GS-15 employees.
- OA is primarily staffed with GS-0511 auditors (68 of 89 staff), but OIG wants to obtain a balance of auditors and specialists (such as aerospace technologists, facilities management specialists, human resources specialists, information technology specialists, and procurement specialists).

- For every position vacated by a GS-0511-13 or 14 Auditor, OA will replace the incumbent with one of the targeted occupational and professional specialists. Any position vacated by at GS-15 will enable the OIG to hire lower-graded employees with the targeted occupational and professional skills.
- The buyout requested will target all GS-0511 auditors in OA at the GS-13 and 14 grades at all geographic locations, and all GS-15 positions in OA, regardless of location and series. The remaining GS-15s may be reassigned and/or relocated to Headquarters.
- NASA is requesting Voluntary Early Retirement Authority (VERA) for the same categories and positions as covered by the buyout incentives.
- Seventy (70) positions are included in the affected population (GS-13 through 15), and twenty-three (23) employees are eligible for the VERA.

On May 23, 2006, [REDACTED] [REDACTED] was interviewed (**Exhibit 128**). [REDACTED] advised there was a buyout that targeted Audit Directors. COBB was hoping "people would go," so he could replace the Audit Directors in the field with Audit Directors assigned to NASA OIG Headquarters. The majority of the Audit Directors were in the field and this "drove COBB nuts." COBB wanted the Audit Directors in Washington D.C., because he felt they would be more accountable if they were within close proximity.

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On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB addressed the allegation during his interview and his response begins at Page 342, line 23. COBB stated, in part:

Q. We're going to move on to other areas. Since becoming IG, have you made any changes within the NASA OIG's office of audits?

A. Why don't you be -- if you could be more specific?

Q. Any significant changes in staff, what type of audits you do, what type of audits you stopped doing? What the end product is in an audit? Is it a review? Just issued not following Yellow Book standards? Something major like that. Personnel?

A. Absolutely. Many.

Q. Okay. Such as?

A. Well, I'd say the largest and most significant would have been the reorganization of our office of audits in -- that was effectuated in the spring of 2003 where we combined our office of inspections with our office of audits and accomplished a number of organizational objectives in connection with that combination. This was a very important matter to me in how we went out and conducted business.

Q. That's it?

A. No. That's not it. Your question is so broad, again I've been in the job for four years, three months, and I'd say every day I'm involved in decisions that relate to what we audit, what we're getting after, how our personnel is performing, whether or not there are going to be personnel changes. I strongly recommend to my direct reports they communicate to me things that are important about the management of business. I would say in close combination with my [REDACTED] but others in the office including the counsel to the IG and in effect senior staff that we would routinely go into great length into issues that affect all of our performance. How the office is organized, how it integrates with the office of investigations, systems that we might deploy to get it to work well with investigations so that there's proper communication of information both laterally across our organization, how it deals with the agency in resolving audit recommendations. The panoply of things -- you know -- that I would think relate to the management of the business for which I am responsible.

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**Allegation 16**– Audit staff do not know what format to present audit results.

**Investigative Findings:**

[redacted] sent an email to [redacted] staff member, U.S. Senator Bill Nelson's (Nelson) [Florida] office that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 5**). In his complaint to Senator Nelson, [redacted] have gone from producing a number of high quality reports each semi-annual reporting period to a stark and virtually meaningless submission. I attribute this to a "bottleneck" within the OIG HQ that seems to have hang-ups with every word in a report..."

On March 15, 2006, [redacted] was interviewed (**Exhibit 43**). According to [redacted], auditors have been encouraged to issue their findings via management reports or memorandums as opposed to lengthy audit reports. [redacted] advised that a few years ago he was either courtesy copied on an email; or perhaps, received a forwarded email containing an original message written by COBB. In the message, COBB remarked to [redacted] (or possibly someone else) that he [COBB] ought to be able to read everything he needs to know about a given audit "on nothing larger than a 3 x 5 card." Today, instead of issuing formal audit reports, [redacted] reiterated that auditors in the field are tasked to draft management reports and memorandums.

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On March 10, 2006, [redacted] was interviewed (**Exhibit 41**). [redacted] explained COBB either would not let [redacted] start an audit, or would get heavily involved with the audit at the end during the report-writing phase. [redacted] said, "there is no process." The draft audit reports would go back and forth for review within Audit, then go back and forth with [redacted] and once [redacted] thought the report was okay, he would forward it to COBB. Once COBB got involved, there was a lot of additional back and forth reviewing/editing of the report. [redacted] said that it was typical to have 20 to 30 edited versions of the same audit report.

On April 19, 2006, [redacted] was interviewed (**Exhibit 65**). [redacted] stated since COBB became the IG, the reporting of audit results has changed. [redacted] noted, "There seems to be a stronger emphasis on management letters as opposed to audit reports." According to [redacted] "Management letters do not have standards" like "audit reports." Audit reports have to follow the Yellow Book. For example, "management letters" do not include findings; audit reports include findings because the Yellow Book requires it. [redacted] reported the attrition rate is high in the Office of Audits because auditors do not want to be employed with an agency that does not audit according to standards.

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On May 2, 2006, [redacted] was interviewed (**Exhibit 88**). [redacted] stated the various AIGAs were "afraid to forward reports to Moose [COBB] because they said they did not know what he wanted."

On May 2, 2006, [redacted] was interviewed (**Exhibit 89**). [redacted] stated the report process has changed over time. In the past, under [redacted] there was a standard format for audit reports. What auditors drafted was generally what was issued. Currently, under

COBB, audit staff are, “left to guess how to present audit results.” The format may change during the audit report process. For example, the auditors may forward a draft audit report to NASA OIG Headquarters, but the final report may actually end up as a management letter or memorandum. [ ] opined, “Things are less structured under COBB.”

On May 16, 2006, former [ ] was interviewed (**Exhibit 111**). [ ] said there were constant format changes to the audit reports. [ ] said due to these constant changes, auditors did not know what NASA OIG management’s expectations were for final audit reports. [ ] said COBB [ ] hired consultants a couple of times to train NASA OIG auditors in report writing. [ ] advised the consultants became frustrated because what COBB and [ ] wanted them to instruct was 180 degrees from what COBB [ ] originally wanted the consultants to train.

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On May 23, 2006, [ ] was interviewed (**Exhibit 128**). [ ] stated COBB did not like audit reports and thought they were “lengthy and redundant.” [ ] noted COBB wanted to change audit reports so they were not redundant, were more concise, and not so lengthy. [ ] This left [ ] in the uncomfortable position of guessing what COBB wanted. [ ]

On June 6, 2006, [ ] was interviewed (**Exhibit 142**). [ ] stated the report writing process changed, and the presentation style and format was experimented upon greatly. They began to issue management letters. According to [ ] these still contained findings and recommendations, and were equally as binding as an audit report. The letters were still bound by the Yellow Book. However, letters were a “faster venue to get the message across.” It was a shorter format, and it was more concise.

On June 19, 2006, [ ] was interviewed (**Exhibit 163**). [ ] stated she came into an “undisciplined, chaotic environment” when she joined NASA OIG. There were no real audit policies in place, no templates for audit reports, and no structure. Every report that came [ ] was in a different format. She was told there had been a template for reports, but “Moose [COBB] killed it.”

An email, dated November 27, 2002, sent by COBB to the Audit Directors, subject “audit work” states the following:

“There has been a lot of discussion about audit reports here at HQ for the last couple of weeks, and you have received some direction from [ ] in this regard. So there is no doubt, I am looking for communication of our message in a clear and concise way. I am not interested in writing to a template that obscures the message. In the first paragraph of anything we write, I want to know what we did, why we did it and why it is important. This should be immediately followed by what we found in relation to what we did. What should be left in the back in appendixes are: What our audit objectives were; What previous audits or GAO audits said – unless mentioning these are

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critical to our reason for performing the audit or substantially reinforce our finding; History, introduction, and background; Content of footnotes, unless the footnotes have been incorporated into the main text. To the extent that our communication of our message is not clear, I am personally responsible to the administrator, the administration, and to congress for that failure. [ ] reports to me, and he will be judged by his ability to manage the staff to produce clear and concise reports. The deputies have the same obligation to [ ] the PDs are responsible for submitting audit reports to the deputies for review that clearly state the message that we are trying to deliver to the customer. There will be responsibility and accountability at every stage of the hierarchy. Specific failures, such as the submission by a GS-15 of a discussion draft that is not clear and concise should be elaborated on in the annual evaluations of the GS-15 program directors. If the deputies do not evaluate the program directors with specific reference to the quality of the audit reports being generated, then they should be criticized for that in their annual evaluations. If the program is not consistently producing clear and concise audits, [ ] will be criticized. The writing training that has been scheduled could not come at a better time. I look forward our being able to maximize our value through an improved ability to communicate our important views."

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On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about the audit report format, and his response to the allegation is located on page 390, line 18 through page 391, line 7 and page 395, line 11 through page 401, line 20 of his interview transcript. COBB stated:

Otherwise what I considered -- I considered the manner and media of how we report, whether in an audit or audit report, or whether it is in a memorandum, or a letter, or it's an e-mail, or it's -- somebody scratching something on the back of a napkin, my perspective is what's important is the content of what you've got, making sure that it's right.

I considered the rest of it as to what the media was, functionally a detail to be handled by my audit staff. I might have had opinions on it. For example, if I got an audit report that said the same thing 10 different times, I'd say gee, that's not a very effective way of communicating. So sometimes I'd be concerned about the method of communication.

Q. With regard to audit reports and the format, can you tell me how many times to the best of your recollection you have changed the way audit report formats have -- ?

A. Me personally?

Q. Or you directed to staff to change them?

A. Again my primary objective is communication. When we've got something to communicate, we need to communicate it in some form or fashion that gets the point across. That was a concept that was foreign to my audit staff when I arrived. They wanted to give six pages of background before getting to the essence of what a report was about.

So I would have communicated that that was unacceptable, that we, for example, need to say what it is that we've audited, and what we found, and why it's important; and as far as, that you know, beyond that, I really -- that's up to them to figure out the best way of doing it.

I can tell you that we have ongoing conversations where I'll sit down and read an executive summary, and the summary won't do that. I'll say we have to do this in a different way.

I understand your question. I leave it to my audit staff to figure out the best way of communicating the information. If it's not doing it, I'm going to tell them.

Q. Was your answer that you never personally changed the audit report format?

A. Should we read back the record to see if I said that?

Q. That's the question I'm asking. That's the question I'd like an answer to. How many times have you personally changed the audit report format?

A. Well, I can read that question very narrowly to say I have never changed the format because I didn't go into the computer system and change the organization -- .

Q. Have you directed anybody to change the format?

A. I directed my office on innumerable occasions to communicate information in a way that is intelligible and is not designed for the audit staff but is designed for the customers and people receiving our work product.

Q. You still haven't answered my question, but I'll move on.

A. Okay.

MR. SOLLERS: I think he did answer your question.

I disagree.

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I don't either, but let's move on.

THE WITNESS: Can I recall them -- I mean, we had so many conversations in the office about gee, what the audit staff would love to have is a template that simply answers the question of how every audit report should ever be performed so that you fill in the template whether or not you have useful information.

That template approach resulted in many instances where we had audit reports that said the same thing 10 times in a row in a seven page document. It was embarrassing, embarrassing work product. I would articulate this is unacceptable. I would suggest to them, hey, maybe there's a better way of doing this. At some point I said maybe if it helps you, get away from the template. Have 25 different templates pursuant to which you communicate information. It is all about communication of information.



Now, at various times they did present stuff to me and say gee this is the way we would like to do it and I had suggestions that said maybe it would be better instead of -- .

MR. SOLLERS: Slow down a little bit for the court reporter.

THE WITNESS: Thank you. Sorry.

Instead of having the relevant information that our customers would read appear on page 9 where we had all kinds of other junk that was up in front, I don't know whether it is 9 or 7 or 5, why don't we have it up there in the front? Have I made suggestions like that? Yeah.

I can remember going to [REDACTED] on the Senate minority staff and she told me we get those audit reports of yours and I'm embarrassed to say this but they go over in a pile in the corner because we turn the first page, turn the second page and can't find what you're saying.

Have I had input on how we present our information to our customers in connection with -- absolutely.

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[REDACTED] Okay.

THE WITNESS: How many times beats me.

BY [REDACTED]

Q. I understand your point regarding the format. But this is another complaint allegation if you will. The format kept changing [REDACTED]

Do you recall saying that?

A. I don't know whether I -- no, I don't recall saying that.

Q. Okay.

A. But I can tell you I've just answered what I'm looking for in a document, something that effectively communicates information and what our point is.

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The rest of it, that's up to staff to figure out. They want my help, I'm more than happy to give it.

MR. CALVIN COBB: Is it fair to say there's no such thing as a specific format?

[REDACTED] Okay.

BY [REDACTED]

Q. In fact, another senior staff member said that you did, Mr. Cobb, create a template for the reports at one time, but then he -- quote, unquote -- killed it.

Do you remember creating a template?

A. I can tell that you in our office, again especially early on when our reports -- when our reports were ineffective in many respects and our office was organized in a fashion I found unacceptable. And we merged our inspection office with our audit office, groups of people that fundamentally didn't have respect for each other and their generation of work product, as reflected by your questions related to the supposed inability of technical staff to contribute to audit products.

These folks were not happy with each other. The idea that again there's no shortage of disgruntled former audit staff in our shop and maybe some current, in terms of management actions.

But each of these actions were actions that I thought were warranted given the circumstances that our office faced. I had the full support of my [REDACTED] with all his experience; and we were trying to solve a terrible problem the office had which was this generation of meaningless, unintelligible audit reports that apparently was considered by many people in our office to be fully satisfactory. It did not meet my standards. We have constantly striven to raise the bar and we have.

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Q. Okay. Thank you for that response. I didn't hear the answer to my question. Did you create a template at one point and then kill it?

A. Did I assist whomever was my assistant inspector general for audits at some time to try to articulate what would be a better way of doing it? I may have. I don't remember.

I did look at it and then say gee, that's not so good and be self-critical and say boy, that's a dumb idea. Maybe I did that. I don't know.

The bottom line is we worked hard. I tried to contribute to the dialogue. So -- .

Q. Thank you.

**Allegation 17**— Audit reports get lost in the front office and the process takes forever. It takes a long time for audit reports to be issued.

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 10**). In his complaint to Senator Nelson, [redacted] stated, in part:

"For the few audits that are being conducted, an extensive amount of time, and money in people's salaries, are expended as a result of nonsensical bureaucratic editing and report 'enhancements' that delay the issuance of reports by months and in several cases by a year or longer [ . . . ]

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It should be noted that the cumbersome practice of editing reports at the expense of timely reporting continues, both in the Office of Audits, and the Office of Criminal Investigations."

[redacted] sent an email to [redacted] staff member, Senator Nelson's office, that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 5**). In his complaint to Senator Nelson, [redacted] have gone from producing a number of high quality reports each semi-annual reporting period to a stark and virtually meaningless submission. I attribute this to a "bottleneck" within the OIG HQ that seems to have hang-ups with every word in a report..."

On February 22, 2006, [redacted] was interviewed (**Exhibit 29**). [redacted] characterized the report review process as a "lack of leadership, inept, stupid, unjustifiable process." [redacted] indicated the review process for reports took too long and that NASA OIG management made unimportant and irrelevant changes. [redacted]

[redacted] stated such drastic revisions happen because of incompetent and inept people in charge that "sit down there and play the game of changing happy to glad, and glad to happy, and see if there's any missing verbs." [redacted] stressed that the problem with such an extensive review process is that the final report "never gets out the door," and that NASA OIG is doing a disservice to NASA with this lengthy review process. [redacted] felt that regardless of the issue, NASA OIG should be able to issue some type of timely report within 30 days of completing a review.

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On March 10, 2006, [redacted] was interviewed (**Exhibit 41**). [redacted] explained either COBB would not let them start an audit, or would get heavily involved with the audit at the end during the report-writing phase. When asked to describe the report-writing process, [redacted] said, "there is no process." The draft audit reports would go back and forth for review within Audit, then go back and forth with [redacted] and once [redacted] thought the report was okay, he would forward it to COBB. Once COBB got involved, there was a lot of additional back and forth

reviewing/editing of the report. [ ] said that it was typical to have 20 to 30 edited versions of the same audit report.

On March 15, 2006, [ ] was interviewed (**Exhibit 43**). [ ] explained his comment regarding the "bottleneck at Headquarters" was related to [ ]

[ ] According to [ ] on [ ] that COBB had a problem with [ ]

[ ] stated he found such minor revisions to be "extremely frustrating," and that NASA OIG is still in what he would describe as a "bottleneck mode" concerning report writing. In accordance with COBB's wishes, [ ] and the final report was issued in September 2004. In general, [ ] felt the problem was not with changes to the substance of his reports (made by Headquarters); but rather, the exhaustive approval process itself.

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On April 18, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 56**). [ ] stated it almost seems as though "COBB does not care if anything [audit reports] goes out." When COBB first became the IG, the "hold up" on a report going out was always because of the changes COBB wanted in the report. Now, [ ] believes the "hold up" is at the middle-management level. Reports are taking a long time to be approved before they are sent to COBB for review. As an example, [ ] stated he/she sent a report to a headquarters director in [ ]. The report is to be forwarded to COBB for his review at the end of [ ]. [ ] advised there have been many revisions during this three-month period.

On April 18, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 57**). [ ] stated it is not uncommon to have findings, recommendations and results changed by COBB. COBB reviews everything. COBB and [ ] do not believe that audit staff know how to write. This was stated at a report writing class everyone had to attend. [ ] stated the audit report writing process takes a long time. There have been times when audit staff "gave up because it is a losing battle."

On April 19, 2006, [ ] was interviewed (**Exhibit 62**). [ ] stated she did not like the fact that COBB becomes involved in minutia. [ ] added it was "cumbersome" to the audit process. [ ] further advised COBB's involvement means that it takes a longer time to get reports finalized and released. [ ] stated, "COBB has to chop on all referrals and draft reports." In contrast, [ ] said that discussion about draft reports was very informal at the [ ] and did not involve senior-level managers. [ ] said the audit reporting process at NASA OIG goes through every level of management. To include: [ ] and COBB. According to [ ] and COBB all review and make changes to the work products. [ ] stated she had an issue with COBB's involvement in reviews and audits. [ ] stated, "He gets in the way." [ ] stated COBB's review of audit reports delays the process.

On April 20, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 66**). [ ] opined things have changed considerably since COBB became IG. [ ] said, "There is an incredible review

process, an incredible micromanaging of products, so many people have to bless it [reports], and nothing gets out.” COBB has stated, “OIG personnel can’t write.” and [REDACTED]

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On May 2, 2006, [REDACTED] was interviewed (**Exhibit 89**). [REDACTED] personal observation is NASA OIG does not issue as many audit reports since COBB became the NASA IG. He believes this because it takes a long time for an audit report to go through the review process. The “hold up” is when the report reaches NASA OIG Headquarters. [REDACTED] refers to this process as “the black hole.”

On May 2, 2006, [REDACTED] was interviewed (**Exhibit 87**). According to [REDACTED] under COBB, audit reports “get lost in the front office,” and the process “takes forever.” [REDACTED] believes the NASA OIG [REDACTED] is now tracking each audit report. [REDACTED] has developed a form that follows the audit report through the process, denotes when each individual receives the report, and when they release it to the next level for review. [REDACTED] explained every audit has timelines/deadlines that have to be met. Within the last year, GS-14s and above have the capability to “suspend” audits in the Office of Audit Central Information System (OACIS) when the audit report is forwarded to the supervisors in Washington, DC, due to the length of time it takes to review the report. [REDACTED] stated, “Why should we get dinged when time is clicking away because the front office has the report.” [REDACTED] believes the lack of timeliness in issuing audit reports affects the customer, who is NASA management. Typically, NASA management is aware of what the audit report will state, however, they wait until the report is officially issued prior to taking action.

On May 3, 2006, [REDACTED] was interviewed (**Exhibit 93**). [REDACTED] opined the audit report process at NASA OIG has become “more bogged down” and “more political” under COBB. It takes more time to get an audit report issued once it leaves the field. With respect to audit reports, Headquarters is referred to as the “black hole.”

On May 3, 2006, [REDACTED] was interviewed (**Exhibit 95**). [REDACTED] believes since COBB has been the IG the number of audits has gone down. She believes this is because audit reports get stuck in the front office, where COBB, [REDACTED] hold them up because of review. [REDACTED] noted a number of audits also get sent back to the field for additional work.

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On May 3, 2006, [REDACTED] was interviewed (**Exhibit 96**). In [REDACTED] she has noticed it is “much harder to get reports through [finalized]” and “they [audit reports] linger at NASA OIG Headquarters for months.” This could be because NASA OIG management staff is generally new to NASA OIG. [REDACTED] provided an example of an audit report in which the audit fieldwork had been completed in October 2005, and the draft report was not completed until April 28, 2006.

On May 16, 2006, [REDACTED] was interviewed (**Exhibit 111**). [REDACTED] said most of the complaints he heard from auditors regarded the length of time it took for audit

reports to be released once drafts were submitted to NASA OIG Headquarters. [ ] stated COBB wanted to have a 99.99 percent confidence level when it came to NASA OIG audits. [ ] stated by the time an audit report was sent out, the underlying issue may no longer be relevant due to the passage of time.

On June 6, 2006, [ ] was interviewed (Exhibit 142). [ ] said it was "a nightmare to get reports out; there were so many edits." COBB even made pen and ink changes in the reports.

On June 19, 2006, [ ] was interviewed (Exhibit 163). [ ] feels the problem is that COBB's "questioning is overdone" and he "beats products to death." COBB requires "150% assurance," you have to "bat 1000," and there is "no room for gray." According to [ ] things are not always black and white in the audit world. [ ] stated timeliness is a problem when it comes to issuing audit reports. The products are constantly re-written. Sometimes there are style issues, and sometimes "it is just overkill." [ ] believes COBB does stifle and delay audits, but she does not know if this is intentional. She believes it is due to his "insecurity" in the audit product, and his belief that auditors do not know what they are doing. [ ] noted COBB needs accuracy.

On June 28, 2006, [ ] was interviewed (Exhibit 185). [ ] was asked about the timeliness of audit reports, and his response to the allegation is located on page 217, line 10 through page 220, line 9 of his interview transcript. [ ] stated:

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[ ] On other products have you had an issue with timeliness, on reports that --

[ ] Oh, yes.

[ ] : Specifically on technical staff?

[ ] No.

[ ] Just talking about them for a minute, because you've had to go back to create work papers or have things meet standards?

[ ] Not. No, I would not attribute that to the technical people.

SPECIAL AGENT [ ] What would you attribute -- well, first of all, are you aware of that being an issue?

[ ] No. Not with technical people in particular. I'm --

SPECIAL AGENT [ ] Are you aware of it being an issue at all?

[ ] I'm aware of our audit shop producing work that simply doesn't meet standards of acceptability to be issued.

I think that, you know, if you requested work paper files on audits, you're going to see an awful lot of comments [REDACTED] on draft reports, particularly under [REDACTED]

[REDACTED]

Mr. Cobb, because --

SPECIAL AGENT [REDACTED] Now?

[REDACTED] -- now and then. Throughout.

SPECIAL AGENT [REDACTED] And that's -- well, that's what I'm curious about, because if I understand correctly, the reason that Mr. Cobb wanted to bring about this change within the Office of Audit and go from the 5-11 series to the technical experts, 343 series is what they were put in, was, in fact, because there were these issues before, but now he's done that, and now you have the technical experts, and it -- based on what you're telling us, there's still those issues?

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[REDACTED] It's -- you know, the technical experts are a small part of it. I mean we were really trying to get people with a more diverse background, and, yeah, I think that the issue is still there. I don't think it's as bad as it was before, but I think, you know, there's certain -- there are certain products that come up now that still just aren't where they need to be.

[REDACTED] So the --

[REDACTED]

On June 29, 2006, Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB talked generally about the audit report process, and his response is located on page 360, lines 7-15 and page 406, lines 14-21 of his interview transcript. COBB stated, in part:

...Many products were deeply flawed, requiring substantial rewrite activity by me, but more particularly by [REDACTED] in terms of let's get this right. And we gave every one of these things rigorous review.

That's why I'm so proud of the work that we've generated, A, that the office is working well now. But B, that every audit product that we generate, I stand behind.

...But as with every significant product of the office, most products overall, we scrutinize them very closely. I read all of those audit opinions. Again if I don't think the conclusions we are reaching can be justified on the basis of what we've got in the report, I'm going to raise an objection; and until that objection is addressed, it is not going to go out.

**Allegation 18** – The NASA OIG March 31, 2006, Semi-Annual Report to Congress “will not” contain any completed audit work regarding safety issues.

**Investigative Findings:**

On April 18, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 56**) to obtain information regarding allegations HUD OIG received through the Integrity Committee of the President’s Council on Integrity and Efficiency. During the interview, [ ] provided the following allegation. [ ] stated the safety team was abolished in the fall of 2005. Safety team staff were merged under the Shuttle and Space Exploration Group. [ ] stated safety audits would still be conducted, however, there was no longer a dedicated team doing safety audits. [ ] stated there might not be a safety-related audit in the March 31, 2006, Semi-Annual report to be issued soon.

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The issued March 31, 2006, NASA OIG Semi-Annual Report to Congress was reviewed. The semi-annual report reflected no completed safety audits. However, the report stated the Office of Audit is currently conducting four projects that specifically address Space Shuttle Program safety.



**Allegation 19** –Inspector General COBB wanted a Financial Management Program Report shortened from nine pages to two pages. COBB stated that the auditors were either incompetent or insubordinate for failing to reduce the report to two pages.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 8**). In his complaint, under the heading "Unprofessional and Demeaning Language and Behavior," [redacted] stated COBB wanted a Financial Management Program Report shortened from nine pages to two pages. COBB stated that the auditors were either incompetent or insubordinate for failing to reduce the report to two pages. The Report was titled, "Integrated Financial Management Program Core Financial Module Conversion to Full Cost Accounting," dated February 5, 2003.

On May 23, 2006, [redacted] was interviewed (**Exhibit 128**). [redacted] provided an example in illustration of the lengths COBB would go in order to shorten audit reports. [redacted] noted the incident involving the audit report [redacted]. The audit concerned NASA financial issues, and COBB "hated" the audit report drafted by the audit team. COBB instructed the audit team to make the audit report more concise and reduce it to two pages. The team worked on it for a couple of days and reduced it to five pages. [redacted] the report, reduced it to 2 ½ pages, and it was provided back to COBB. COBB was not happy the report exceeded the 2 page limit, and worked on the report himself until it fit onto two pages. [redacted] advised COBB got the report down to two pages, but the two pages lacked margins.

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The Office of Audit Central Information System (OACIS) and Teammate files related to the Audit Report was reviewed (**Exhibit 190**).

The following are the contents of a workpaper (PA4.z) that documents a meeting held regarding the Discussion Draft Report:

**Purpose:** To meet with the IG and [redacted] about the discussion draft report.

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**Source:** Discussion held via telecon with the following:

Moose IG COBB, IG; [redacted]  
[redacted]

**Scope:** The IG called this meeting after reading the draft report submitted on 11/22/02 which incorporated the IG's comments from an 11/15/02 meeting held with the [redacted]. The meeting was held from 11 a.m. to noon on 11/25/02.

**Conclusion:** Moose is re-writing the draft report and shortening it to 2-3 pages. He instructed the staff to provide him (immediately) with the document citing that if NASA does not implement full cost accounting by 10/1/03, it will slip a year and any related NASA feedback.

Results:

The IG made the following points:

- Upset with the fact that the staff did not shorten the report to 2-3 pages as he instructed during an 11/15/02 meeting with the [REDACTED]
- Wondered why it took the staff over a week when it could be done in 2 hours to make the report changes and was very disappointed with the staff's efforts and results.
- Determined that the staff did not shorten the report to 2-3 pages as instructed either because of incompetence or insubordination.
- The report as written is very repetitive (makes some of the same points 7 times).
- Wondered whether we have a legitimate impact when we state in the report that NASA must meet its self-imposed 10/1/03 deadline for implementing full cost accounting and why that date is crucial,
- Will have the report re-written by 4 p.m. on 11/25/02.

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The [REDACTED] stated that some of the report details were necessary to make the reader understand just how important full cost accounting is to NASA and external agencies and that NASA has been trying to implement full cost management (full cost accounting and cost-based budgeting) since 1995. The IG stated that he would take that into consideration and that the staff should provide him with the Full Cost Configuration Strategy memorandum, which states that if NASA does not implement full cost practices by 10/1/03, that full cost accounting would be delayed a whole year (10/1/04).

The workpaper (PA4.z) indicated that a meeting was previously conducted on 11/15/02 with the [REDACTED] and the IG regarding shortening of the Draft Audit Report to 2-3 pages. HUD OIG was unable to locate a workpaper that documented the meeting conducted on 11/15/02.

**Allegation 20** – An audit report on cold-plates took almost a year to get issued after the audit work was completed.

**Investigative Findings:**

On April 19, 2006, [redacted] was interviewed (**Exhibit 62**) to obtain information regarding allegations HUD OIG received from the Integrity Committee of the President's Council on Integrity and Efficiency. During the interview, [redacted] provided the following allegation. [redacted] noted that [redacted] was assigned to conduct a review of "cold plates" [plates that are used to remove heat from electronic equipment aboard the Space Shuttle]. This review was initiated, possibly in March 2005, [redacted] [redacted] advised that the review was initiated based on a referral sent to COBB. [redacted] stated the final cold plate audit report was to be issued within the next few weeks. [redacted] advised that part of the reason it took so long to issue a report on the cold plate audit was the fact [redacted] is not an auditor and did not follow audit standards when conducting his review. Therefore, [redacted] audit staff had to go back and make sure all of [redacted] work was properly documented by work-papers. In addition, the final report was cross-referenced to supporting documentation located in the work-papers. [redacted] stated that the report was going to be issued under audit standards promulgated in the American Institute of Certified Public Accountants' "Turquoise Book," as opposed to audit standards promulgated in the Government Accountability Office's "Yellow Book." [redacted] advised the "Turquoise Book" does not require an independent review of the cross-referencing of the final report. [redacted] stated [redacted] conducted independent projects, and generally used the "Turquoise Book" as his reporting standard. [redacted] [redacted] stated [redacted] work product was saved in shared files on the NASA OIG server. [redacted] work product was not documented in NASA OIG's typical audit information management systems, TeamMate or OACIS.

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On April 24, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 72**). [redacted] advised [redacted] stated it took just under one year for this report to be issued. [redacted] said once the report went to the "front office" it was "nit picked." [redacted] stated the review went through multiple edits, and he/she estimated there were at least 18 versions of the cold plate report. [redacted] advised the reason for so many versions of the report was the fact [redacted] made multiple edits, then the report went to [redacted] for multiple edits, and finally the report went to the "front office" for even more edits.

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[redacted] stated he/she did not believe that the cold plate report delay was because of COBB. [redacted] added the audit process of independent reference review of the report took a long time. [redacted] stated that the report is currently in draft format and comments were due back from NASA on April 17, 2006, and afterwards a final report would be issued. [redacted] advised the report originally had 9 recommendations, which were consolidated into 5 recommendations. The consolidation of recommendations made sense to [redacted]

On May 2, 2006, [redacted] was interviewed (**Exhibit 87**). [redacted] provided an example in which audit work was completed and that it took almost a year to issue the audit report. This audit involved a review of cold-plates. [redacted] primarily conducted the work, and he

completed it around June or July 2005. NASA management agreed with the recommendations [ ] made, and began to implement the recommendations. The report, which was changed by management at Headquarters to a memorandum, was not issued until April 28, 2006. [ ] believes part of the problem was the audit was not conducted in accordance with accepted audit standards. [ ] had to go back, complete work-papers, and have the report referenced.

[ ] stated NASA OIG employs technical people, like [ ] who conduct audits. These people do not have an audit background and do not use Teammate or other audit tools. Currently, most of the technical staff work under the guidance of experienced auditors.

On June 19, 2006, [ ] was interviewed (**Exhibit 163**). [ ] stated it took a long time to issue the final cold plate report because they had to go back and document the technical staff's conclusions.

A review of the final report on cold plates determined that it was issued on April 28, 2006. The report states that work was conducted on this assignment from March 2005 through April 2006, and was conducted in accordance with PCIE Quality Standards for Inspections.

On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about this audit, and his response to the allegation is located on page 391, line 15 through page 395, line 9 of his interview transcript. COBB stated:

Q. Okay. I asked because one of -- or a number of the witnesses brought this up. In that they were concerned because the technical staff weren't schooled in writing up their audit findings or opinions, and that what would happen is that their audit opinions or findings would be communicated to their supervisors verbally.

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The reason there was a concern about this is because that caused a real lag time in getting these audit reports issued, because there was no documentation by the technical staff, and just briefing somebody verbally wasn't working, and so they'd have to go back and repeat the process. They'd have to go back to the technical staff, say how did you come up with this? What did you come up with? Did you ever hear that that was a problem?

A. I might have heard. Managing an audit office, making sure the files reflect exactly what I'm talking about, that you can document what you're saying, that's a critical issue. I'd say it is an issue that we're handling. We've got an office now that works pretty well on it and we've got this technical staff that's excellent and we're now able to generate audits on whether or not the problem reporting, corrective action system is working effectively. We couldn't do that two years ago.

[ ] Excuse me. [ ] I believe that it's -- it's been alleged this is a current problem; is that correct? A current problem.

[ ] One is recent -- the technical staff completed their review last summer, and it took almost a year. The report was just issue because they had to go back and recreate --

THE WITNESS: It is a constant challenge.

[REDACTED] Hold on a second. We would like to tell you what audit that was.

[REDACTED] Specifically, it was the cold plates audit. The work was completed in July 2005. Audit report not issued until April 28, 2006. Reasons given: Technical staff and audit staff had to go back and create the work papers, make sure there was support, things that should have been done throughout the audit.

THE WITNESS: We had a person who happened to be a good person at going and getting into issues. That cold plate audit again that's an audit we couldn't have done three years ago before that individual came to our shop. That's an excellent --

BY [REDACTED]

Q. That doesn't --

A. Excuse me. That's an excellent product which I'm proud of, that our office couldn't have generated three years ago.

Now the fact that it creates challenges in terms of execution of an audit program and making sure that we get things backed up properly -- you know -- that may be a reality. That might be the price we've had to pay in order to speak intelligently on complex technical issues which in my opinion we were not doing before.

BY [REDACTED]

Q. But don't you see that that could be a problem when safety issues are of concern and you need to get an audit report out timely to let the agency know these problems exist, and it's taken close to a year to get these reports issued?

A. Absolutely not. If there's a safety issue, we communicate it to the agency immediately. And in connection with cold plate, for example, there was a great deal of -- the reason the audit took place in the first place was a NASA safety official brought to it my attention. I referred it to staff for consideration. There was a lot of communication with a lot of people about the cold plate issue and whether or not it presented a safety risk in connection with shuttle flights.

So, no, the fact that the final report did not issue until much later is -- I'm sorry that it took a long time. But bottom lines, yeah, we're weighing in on an important technical issue with recommendations; and the agency is -- has accepted those recommendations; and again had we not brought in competent technical staff to do that, we wouldn't have been in the ballpark in the first place.

BY [REDACTED]

Q. Why not just issue a memo or something to that effect? Why go back and take nine months to recreate work papers? Why not issue some letter to the NASA program staff?

A. How we're going about doing it, whether it comes out in an audit report or a memorandum,

that's largely left to my audit staff to figure out the best way of doing it.

***Allegation 21*** – The substance of the audit report and recommendations was changed on the [REDACTED] Complaint.

***Investigative Findings:***

On March 10, 2006, former [REDACTED] was interviewed (**Exhibit 41**) regarding information he submitted to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 7**). During the interview, [REDACTED] stated there are several examples where COBB has directly changed the substance of a report.

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[REDACTED] wrote a letter to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 17**). In his complaint, [REDACTED] sent a letter to NASA OIG on June 1, 2004, raising safety and employment concerns at the Johnson Space Center (JSC). NASA OIG conducted an investigation, however, [REDACTED] stated that NASA OIG "has failed to even issue a report...in almost two years."

On June 14, 2006, [REDACTED]

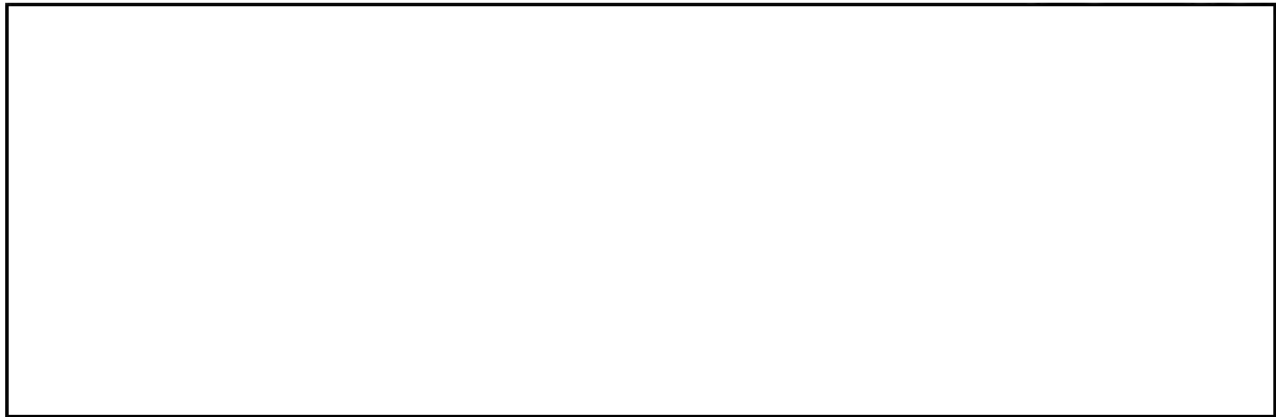
[REDACTED] sent an e-mail [December 2, 2004] to [REDACTED] NASA, stating the reorganization was an unsafe practice, was contrary to the Columbia Accident Investigation Board (CAIB) and [REDACTED] reports, and provided recommendations that would correct the problems and make it safer.

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In January 2005, [REDACTED] the NASA OIG report was sent to Headquarters in November 2004. [REDACTED]

[REDACTED] As of the date of this interview, NASA OIG has not released a formal report regarding the reorganization issue. It has been two years since [REDACTED] initial complaint to NASA OIG. [REDACTED] believes the report has been "swept under the carpet," and COBB, as well as NASA OIG, "squashes investigations that are less than desirable to the NASA administration." [REDACTED] does not understand why a report was not issued if all the facts were there. [REDACTED]

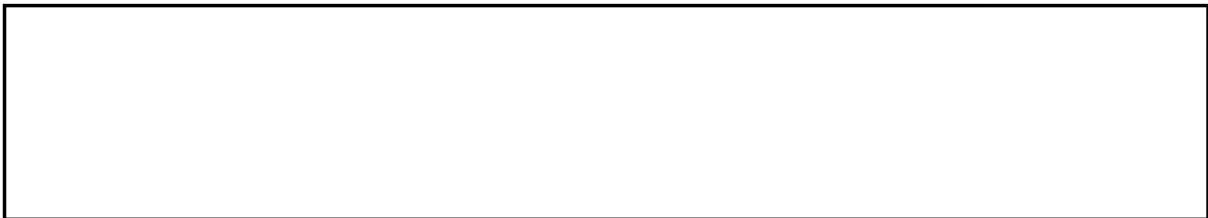
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On June 15, 2006, [REDACTED] felt strongly that a recent reorganization at JSC that combined the Maintenance and Quality Assurance Branches could be a potential threat to aircraft flight safety and was contrary to the CAIB recommendations. [REDACTED] agreed with [REDACTED] regarding the potential threat to flight safety and the CAIB recommendation. [REDACTED] Mr. COBB.” He did not agree with the changes and felt they had a “watered-down effect.” The initial version of the letter was sent to the front office on November 30, 2004. [REDACTED]

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The final letter was sent on March 24, 2005 with no recommendation regarding the Quality Assurance and Maintenance Branches. The letter, in part, restated [REDACTED] complaint and included the following in the last paragraph:

“We will address the complainant’s second allegation in an audit of aircraft operations at all NASA Centers that we plan to initiate this fiscal year. The audit will address whether (1) NASA’s aircraft programs are organized in the safest, most effective manner for assigned missions, and (2) accidents and incidents involving aircraft are properly categorized, reported and investigated.”

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[REDACTED] stated that the aircraft audit referenced above is currently being conducted. It began around November 2005. The audit staff has completed Phase I and is drafting a report. Phase II will begin sometime late this summer. This phase of the audit will focus on how the centers implemented NASA’s policies and



procedures and how each center is organized. [ ] believes the reorganization issue brought up by [ ] will probably arise during this phase of the audit.

On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about this audit, and his response to the allegation is located on page 404, line 17 through page 406, line 21 of his interview transcript. COBB stated:

Q. How about the audit report on Ellington Field and safety issues and concerns there? Do you recall having a hand in rewriting that?

A. I don't have a substantial recollection of that audit.

Q. Okay. The witness said that our recommendation was revised by Mr. Cobb and that the witness did not agree with the changes and felt that you had -- quote, unquote -- "watered it down" -- had a watered down effect?

A. I've told you before -- .

Q. Do you recall --

A. I don't remember that particular audit. I can tell you almost every audit and administrative report that was -- that came into my office throughout the first couple of years, they were all substantially revised and amended to be consistent with the law, the facts, the criteria that we had in any given audit; and generally, I would have been working with my senior staff in connection with those changes to those documents. And the fact that some audit staff down the chain of command was uncomfortable with the changes, that's -- great.

BY [ ]

Q. There was one last year done by an auditor as well as technical staff.

A. Which one?

Q. The Ellington Field.

A. You're going to have to refresh recollection on what the audit is and what it was about. I can tell you as modus operandi, I am not enthusiastic about issuing audit reports or other documents which I believe to be wrong.

BY [ ]

Q. There was a complaint in an audit -- [ ]

[ ] That's what that audit was about.

A. Now I recall the audit. I can't remember what the problem that -- me and my senior staff would have identified with the particular audit report.

But as with every significant product of the office, most products overall, we scrutinize them very closely. I read all of those audit opinions. Again if I don't think the conclusions we are reaching can be justified on the basis of what we've got in the report, I'm going to raise an objection; and until that objection is addressed, it is not going to go out.

**Allegation 22** – Inspector General COBB closed down the investigation of allegedly false Space Shuttle bolt catchers, and NASA OIG auditors were not allowed to expand their audit of the bolt catcher contractor.

**Investigative findings:**

On March 15, 2006, [REDACTED] was interviewed (**Exhibit 43**) regarding his complaint to Senator Bill Nelson [Florida], which was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 5**). During the interview, [REDACTED] provided the following allegation. [REDACTED] described an audit plan initiative [for 2005] aimed at further inspecting Space Shuttle "bolt catchers." [REDACTED] reported that failed bolt catchers were "at the heart of the final CAIB [Columbia Accident Investigation Board] report," issued August 26, 2003. [REDACTED] claimed that Special Agent [REDACTED] was the case agent for an investigation involving a Marshall Space Flight Center contract with the U.S. Defense Contract Management Agency (DCMA). According to [REDACTED] Quality Assurance Representatives (QAR) from DCMA conducted mandatory inspections on bolt catchers later used in actual Space Shuttle operations. Further, [REDACTED] stated that QAR representatives either falsely removed the requirement for mandatory inspections, or gave final approval for manufactured bolt catchers although not all inspections required throughout the bolt catcher manufacturing process were performed.

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According to [REDACTED] learned of the QAR "falsifications" after obtaining records from the NASA Contracting Officer's Technical Representative and comparing them to records maintained by DCMA. Although [REDACTED] was not aware of what the investigation ultimately determined, he felt the Office of Audit should have been permitted to audit all NASA related DCMA operations. [REDACTED] opined if DCMA had falsified one set of bolt catcher reports, perhaps they had done the same with other pieces of flight hardware.

[REDACTED] went on to state the NASA OIG intake "Referral Committee," made up of senior management at Headquarters, chose not to open a bolt catcher audit. Finally, [REDACTED] reported hearing through office rumor that [REDACTED] was told by senior management [unsure of whom] she could not present the criminal case against DCMA to an Assistant United States Attorney unless she had a "smoking gun."

On May 23, 2006, [REDACTED] was interviewed (**Exhibit 129**). [REDACTED] was questioned regarding falsified inspection reports involving the DCMA and Technical Micronics Control Corporation. [REDACTED] advised that she was not familiar with such an investigation.

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[REDACTED] was asked about the investigation into falsified bolt catcher inspection reports. [REDACTED] information regarding bolt catchers from the Office of Audits, possibly [REDACTED] referred this case to Assistant United States Attorney (AUSA) Angela Debro (Debro). [REDACTED] said Debro asked her supervisor, AUSA Russell Pennfield (Pennfield) about the case. According to [REDACTED] Pennfield declined the matter for prosecution because the statute of limitations had expired. [REDACTED] disagreed with this decision and felt the statute of limitations should be extended due to the accident involving Space Shuttle Columbia. [REDACTED] stated the Office of Audits was looking

at the matter. To the best of her knowledge, the Office of Audits continued to look into the matter. [redacted] advised NASA contractor Summa [Technology, Incorporated], Huntsville, Alabama supplied the bolt catchers.

[redacted]  
[redacted] the matter because of the declination by the United States Attorney's Office. [redacted] received no pressure whatsoever from COBB on this case. [redacted] did not know if COBB was even aware of the case.

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On April 19, 2006, [redacted] was interviewed (**Exhibit 62**). [redacted] was asked if she had any knowledge of an audit or proposed audit of Space Shuttle bolt catchers. [redacted] advised she was aware of an audit involving bolt catchers. The audit was conducted prior to [redacted] stated the audit report was issued on September 28, 2004. [redacted] advised there were some recommendations related to this audit report and all of the recommendations were closed out in 2005.

**Allegation 23** – Inspector General COBB delayed the review of “bird strikes” at Kennedy Space Center (KSC).

**Investigative findings:**

On April 19, 2006, [ ] was interviewed to obtain information regarding various allegations received by HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 62**). During the interview, [ ] provided the following allegation. [ ] advised that there was recently an issue of bird strikes at KSC. [ ] advised [ ] contracted with NASA to take-off and land his airplane at KSC. This was for his attempt to fly around the world. During take-off, birds hit [ ] airplane. [ ] said subsequently, a retired USAF General sent a hotline complaint to NASA OIG. According to [ ] the General has some sort of “contraption” that would keep planes from being hit by birds. [ ] believed NASA did not have a robust bird strike program and felt that a review needed to be conducted. [ ] stated COBB decided not to issue a report on the bird strike program. COBB decided a bird strike review would be incorporated into an overall audit of NASA aircraft safety, at a later time.

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On April 24, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 72**). [ ] advised that approximately one month prior to his/her interview [ ] regarding birds on the flight line of KSC, which is a safety hazard. The complaint arose because of [ ] flight around the world. While [ ] was taking off from KSC, he hit two birds. [ ] [ ] advised the KSC had no “Bird Aircraft Strike Hazard” program, and he/she considered this to be a serious issue since KSC was surrounded by a wildlife refuge. Further, NASA planned to sell off excess capacity to private corporations, and this might result in an elevated level of air traffic at KSC.

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The matter was referred to the NASA OIG Senior Staff Referral Review Committee (SSRRC). It was the decision of the SSRRC not to issue an audit report and instead roll the review into a future audit of aircraft safety throughout NASA, which has not begun. [ ] disagreed with this decision because of the seriousness and current nature of this safety issue.

[ ] addressed the allegation during his interview conducted on June 28, 2006. Below is an excerpt of his testimony regarding this matter, which begins at page 215, line 16 and ends at page 217, line 8 of his interview transcript (**Exhibit 185**).

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[ ] I don’t remember. It was something recently on a -- it was a -- I think it was an allegation that had about the Kennedy Space Center runway not having an adequate sys -- or not having a system to keep birds off the runway. [ ]

SPECIAL AGENT [ ] Did they implement his –

[ ] I don't know. I don't know.

SPECIAL AGENT [ ] Did he issue a report or team up with an auditor to write a report?

[ ] I think -- my understanding is there's something in progress, but I haven't seen it.

SPECIAL AGENT [ ] He's left, though; hasn't he?

[ ] Yeah.

SPECIAL AGENT [ ] Okay.

[ ] Yeah.

[ ] So he was working with an auditor?

[ ] He was working for an auditor. He was working for [ ]

[ ] That would still be working on this report?

[ ] May be –

SPECIAL AGENT [ ] Working directly –

[ ] -- if there's a report. Yeah, again –

SPECIAL AGENT [ ] Not working for, but was there an auditor working directly on that review or audit with him?

[ ] I don't know.

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COBB addressed the allegation during his interview conducted on June 29, 2006. Below is an excerpt of his testimony regarding this matter, which begins at page 454, line 5 and ends at page 457, line 19 of his interview transcript (**Exhibit 182**).

Q. Did you delay the review of bird strikes to aircraft at Kennedy Space Center?

A. I don't believe so.

Q. Do you recall anybody ever suggesting that a review be done and you telling them no or

your staff bringing it to you, that it's an issue?

A. I remember that we decided that we would look at the bird strike issue, but in terms of the timing and all, that I can't recall.

BY

Q. One of your staff members said that they brought to your attention that NASA did not have a robust bird strike program and felt that a review needed to be conducted but that you stated that you decided not to issue a report on the bird strike program but decided it would later be incorporated into an overall audit of NASA aircraft safety. Is that true?

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A. I don't know. You're taking something that somebody is saying, and we have a number of aircraft related audit activities that have been going on for some period of time. Sometimes we break things out so that people -- management can be informed immediately of issues. Sometimes they get rolled up and I just don't even recall that being an issue.

Q. This is a current safety issue, correct, the bird strikes?

A. Bird strikes are always a safety issue.

Q. So has this been communicated to the NASA program staff that would be involved?

A. Has what been communicated?

Q. That -- has been identified as a safety concern, the report just hasn't been issued yet?

A. I don't know what we have of a safety issue that hasn't been immediately conveyed to NASA, that it doesn't already know.

The standing command from my office is if we have a safety issue, that we need to communicate to the agency, we do that.

Now, bird strikes, anyone in aviation knows of the bird strike threat. In connection with STS 114, that was an issue that occurred in connection with 114. I don't know whether we're talking about before 114 or after 114; but bird strikes and birds and where they are relative to aviation equipment is a constant safety concern for any aviation organization.

If we've got some pending recommendation or pending observation that's based on fact that has some immediate safety concern to it that we need to convey to the agency and I don't know of it, gee, I'd like to know of that so that we can be sure that the agency is apprised of what we know that they don't.

Q. So has your office apprised the appropriate NASA office of the safety concern?

A. I really don't know what you're talking about. So it is very difficult for me to say whether or not my office has informed the agency about something that I don't know.

Q. That NASA OIG has identified that NASA does not have a robust bird strike program in place?

MR. SOLLERS: I'm sorry. I don't understand what the question is, whether this is something that's coming from a witness?

[REDACTED] Yes.

MR. SOLLERS: I lost track.

[REDACTED] We have a witness who tells us they spoke to Mr. Cobb about issuing a report to the appropriate NASA office advising that after a review done by your office, it was identified that NASA does not have a robust bird strike program.

THE WITNESS: Well, I don't know who your witness is. I don't know whether or not this is coming from my [REDACTED] out of -- which really has the responsibility for this program, whether or not this is something that we feel comfortable from a factual standpoint to communicate to the agency.

So -- you know -- again I get information from primarily -- I get recommendations from my direct reports, and I make decisions based on what I think is best for the agency.

BY [REDACTED]

Q. All right. Thank you, Mr. Cobb.

A. I'll follow up. I don't know of any important or even it seems to me important safety issue that we feel as though we have pinned down from a factual matter that we have not conveyed to the agency at some level.



**Allegation 24** – A recommendation on Oversight of United Space Alliance Safety Procedures at Kennedy Space Center (KSC) was closed, even though the audit staff who conducted the audit did not agree with closing the recommendation.

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 8**). In his complaint to Senator Nelson, [redacted] wrote under the heading "Undermining of the Office of Audits," that he [COBB] closed open audit recommendations without requiring evidence of completed corrective actions and made it clear that directors should do the same.

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On April 18, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 57**). [redacted] stated a recommendation on Oversight of United Space Alliance Safety Procedures at KSC was closed, even though the audit staff who conducted the audit did not agree with closing the recommendation. This was Recommendation One in a June 2002 issued audit report, audit assignment number A-00-041-02. The work on this audit was completed prior to COBB and [redacted] coming on board to NASA OIG. Originally, NASA management had not concurred with the recommendation, but agreed to do an assessment. OIG accepted that NASA would have the assessment conducted, and the recommendation was supposed to remain open until the action was completed. When OIG asked for the report on the assessment, NASA could not provide it. When the pressure came from COBB to close the recommendation, the audit team believed the recommendation should remain open. [redacted] stated that given NASA's inability to provide the results of the assessment, the audit team had no confidence an assessment was even done. In addition, the audit report had been in the local newspapers, and in light of the Columbia accident, the audit team did not feel comfortable closing the recommendation. COBB and [redacted] believed the recommendation should be closed, and the audit team drafted a closing memorandum that did close the recommendation, and also included some of their concerns.

**Allegation 25** – Inspector General COBB ordered the closing of NASA OIG’s audit survey of the “Ice, Clouds and Land Elevation Satellites (ICESat) Observatory Project,” because the responsible [redacted] [redacted] was his neighbor.

**Investigative Findings:**

[redacted] was telephonically interviewed to obtain information regarding various allegations received by HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency. During the interview on June 9, 2006, [redacted] provided the following allegation regarding the above-described ICESat audit survey allegation (**Exhibit 147**).

[redacted] concluded during the survey that the project lacked internal controls regarding risk management. According to [redacted], “There was no documentation of risk management assessments.” [redacted]

[redacted] COBB [redacted] the [redacted] for the ICESat was COBB’s neighbor. The survey was terminated, no audit was conducted, and no report was issued. In addition,

[redacted] stated that the close out documentation for the ICESat survey should be available in NASA OIG’s, Nationwide Information System (NIS).

On June 15, 2006, [redacted] was telephonically interviewed (**Exhibit 158**). [redacted] stated at one point during the survey, COBB [redacted] one of the people the audit team would come across was COBB’s neighbor. [redacted] believed COBB [redacted] had talked to his neighbor about the survey. [redacted] could not recall any further specifics.

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A series of “Auto Track XP” and other open source searches were conducted, wherein the current and former neighbors of COBB, who resides at 3800 Williams Lane, Chevy Chase, Maryland, were identified. On June 20, 2006, the pertinent identifiers of each neighbor were submitted to the Maryland Department of Labor, Licensing, and Regulation (DLLR), Wage Records, in Baltimore, Maryland. The DLLR checks were used to determine if any of COBB’s neighbors had State unemployment insurance premiums paid on behalf of NASA. As indicated by DLLR records, NASA did not employ any of the ten identified neighbors of COBB (**Exhibit 168**).

A similar wage check inquiry was conducted with the D.C. Department of Employment, Office of Unemployment Compensation. This check also resulted in negative findings.

**Allegation 26** – Inspector General COBB does not want to work pressure vessel cases.

**Investigative Findings:**

On March 7, 2006, [ ] was interviewed (**Exhibit 37**) regarding the letter he wrote to Senator Bill Nelson [Florida], which was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 2**). During the interview, [ ] provided the following allegation. [ ] recalled that COBB did not want staff at the Marshall Space Flight Center (MSFC) to work "pressure vessels cases." The pressure vessels have to be cleaned and certified, and a contractor who was involved was reportedly indicted. [ ] has additional information on this case. [ ] noted that MSFC is "the center for propulsion" and NASA OIG has not done anything proactive there. [ ] noted that approximately 3 to 4 billion dollars in contracting is conducted at MSFC.

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On March 15, 2006, [ ] was interviewed (**Exhibit 43**). In March 2003, [ ] a NASA-OIG audit at the Stennis Space Center (SSC) in southwest Mississippi, which focused on the center's Pressure Vessels & Pressurized Systems (PV/S) program. [ ] claimed the PV/S audit findings were delaying program operations at the SSC, and that COBB may have been getting pressure from NASA to move on [no proof of this statement]. In the end, [ ] reported the Office of Audit issued two PV/S Audit Reports, dated June 27, 2003, and February 4, 2004.

A review of the two audit reports issued showed the following:

For the audit report issued June 27, 2003, fieldwork was conducted from March 2002 through February 2003. The audit report included a "finding" and recommendations.

For the audit report issued February 4, 2004, fieldwork was conducted from July 2002 through October 2003. The audit report included a "finding" and recommendations.

**Allegation 27**— An audit of the Internal Space Station (ISS) Program Risk was conducted at a labor cost of \$433,000 and the audit was shut down prior to the issuance of an audit report.

**Investigative Findings:**

On February 22, 2006, [ ] was interviewed (**Exhibit 30**) regarding a complaint she submitted to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 11**). [ ] stated that Audit number A-04-037-00, relating to ISS risk, was conducted at a labor cost of \$433,000, and the audit was shut down before a report was issued. [ ]  
[ ] for this audit assignment.

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On April 18, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 57**). [ ] stated the ISS Risk Audit was terminated by the audit team, and not by Headquarters. The audit found the plan was out of date. Also NASA management took corrective action quickly. The audit team drafted a close out memorandum in September 2005. [ ] was upset Audit did not issue a report. However, the audit team felt that the audit should have been terminated. The finding was insignificant and corrective action had already been taken.

On May 2, 2006, [ ] was interviewed (**Exhibit 89**). [ ] stated during the audit of the ISS Program Risk, the audit was terminated after spending over \$400,000 in staff time to conduct the audit. [ ] believed this audit should have been terminated "long before it was."

**Allegation 28** – Inspector General COBB, despite advice and counsel from senior staff members, failed to report the theft/compromise of approximately \$1.9 billion of International Traffic in Arms Regulations (ITAR) data to the appropriate federal authorities.

**Investigative Findings:**

[redacted] submitted a letter to U.S. Senator Bill Nelson's [Florida] office (**Exhibit 4**). In turn, the Integrity Committee of the President's Council on Integrity and Efficiency referred a copy of [redacted] letter to HUD OIG for further investigation.

The above described theft/compromise occurred from June 6 - 9, 2002, when [redacted] [redacted] downloaded thousands of ITAR designated files from a NASA server physically located at the Marshall Space Flight Center (MSFC), Alabama, to an Internet Service Provider (ISP) in France. It was further alleged COBB failed to report the matter to the U.S. Department of State and the Congress in order to avoid embarrassment for NASA management.

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On March 15, 2006, [redacted] was interviewed (**Exhibit 42**). [redacted] advised Computerworld magazine notified NASA they were in possession of sensitive documents belonging to NASA that were provided to them by a hacker. [redacted] stated [redacted] initially took credit for the download. Approximately two weeks after admitting to downloading the NASA data, [redacted] emailed the Federal Bureau of Investigation (FBI) and stated that he did not "hack" NASA's computer system, but claimed he obtained the data from hackers in France.

[redacted] stated that on August 9, 2002, [redacted] NASA, MSFC, COBRA Rocket Engine Project [part of the data downloaded related to the COBRA rocket engine]. [redacted] determined the data was categorized as ITAR and stated the information was "the latest and greatest rocket technology and it has not been released to the wild." [redacted] work the case jointly with [redacted] NASA, Code X [Office of Security and Program Protection], because there may be a Counter Intelligence (CI) issue in relation to the lost data. [redacted] determined the total loss was \$1.9 billion, based on the contract cost of all the programs where data was compromised. Sometime after [redacted] wrote and uploaded a case summary, which calculated the total loss figure at over \$1.9 billion, [redacted] [redacted] stated that "the feces has hit the oscillating device." [redacted] was referring to the \$1.9 billion figure.

NASA management asked [redacted] to review the loss figures [redacted] came up with. [redacted] review showed the actual loss figure was approximately \$500,000 greater than [redacted] originally thought. [redacted] advised that valuing the loss on the original contract amount was consistent with how the FBI and U.S. Attorney's Office valued theft of data on other cases he had been involved in. [redacted] advised according to [redacted] COBB's viewpoint was the data was not lost since NASA was still in possession of the data. In reference to his written complaint, [redacted] stated he paraphrased the quote, [redacted] what is the loss?" from [redacted]

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[redacted] stated on November 21, 2002, COBB visited MSFC [redacted] a NASA MSFC

facility. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] they were "not trying to cover anything up," referring to the loss amount of the compromised data. During the conversation, [REDACTED] mentioned that COBB asked about classifying the data. [REDACTED] the data did not meet the requirements for classification. [REDACTED] assumed management may have wanted to classify the data so that its compromise would not have to be publicly reported.

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[REDACTED] management was not ready to release the value of the lost data, and he stated they [Code X management] may want to classify the value. [REDACTED] found it strange that Code X had the same idea as [REDACTED] about classifying the data and believed the two offices may have been communicating.

[REDACTED] about a case he had involving ITAR data, where the ITAR data was downloaded from an anonymous file transfer protocol (FTP) server. [REDACTED] said the case had similarities [REDACTED] [REDACTED] stated because of the similarities of the two investigations, [REDACTED] The value of the data in [REDACTED] case was approximately \$12 million, and has not been reported outside of NASA OIG to [REDACTED] knowledge. [REDACTED] stated the \$12 million was not included in the \$1.9 billion figure.

[REDACTED] advised the management report to NASA regarding the loss of ITAR data [REDACTED] [REDACTED] did not go out until March 10, 2003. [REDACTED] stated they could not say NASA lost \$1.9 billion of data. [REDACTED] stated \$1.9 billion was the contract cost of the data, and not the "street" cost, referring to the actual present value of the data. [REDACTED] spoke with [REDACTED] on December 16, 2003, and during that conversation, [REDACTED] relayed that [REDACTED] [REDACTED] and [REDACTED] discussed the ITAR case with COBB. During the conversation, COBB said they were going to try to classify the damage assessment numbers. According to [REDACTED] explained to COBB that could not be done.

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[REDACTED] stated it was his opinion NASA was required to notify either the Department of State or the Department of Commerce about the loss of the ITAR data. [REDACTED] further said he believed if NASA failed to report the loss, the reporting requirement would fall onto whomever had oversight over NASA, in this case NASA OIG. According to [REDACTED] neither the FBI nor the Defense Criminal Investigative Service

(DCIS) notified the Department of State or the Department of Commerce. [REDACTED] [REDACTED] DCIS, felt it was important to have the data lost by NASA assessed for damage to national security. The Defense Technology Security Administration (DTSA) conducted a preliminary assessment that concluded there was a very high probability national security was damaged. [REDACTED] wanted a more in-depth assessment conducted; however, DTSA was going to charge NASA OIG for the assessment. [REDACTED] received no response from NASA OIG management [REDACTED]

[REDACTED] COBB's testimony to Congress on the ITAR issue. That testimony went through multiple edits and [REDACTED] heard it was "watered down" by the time it was finalized. On one of the edits, the value of the lost data was removed. [REDACTED] believed it was removed by Code X personnel.

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[REDACTED] was never told by COBB, or NASA management, [REDACTED] [REDACTED] and believed COBB wanted the case closed. [REDACTED] [REDACTED] [REDACTED]

Between April 3, 2006 and May 12, 2006, an email review was conducted of COBB's government email account. The search revealed one relevant email in relation to the subject ITAR compromise (**Exhibit 50**). The email, dated December 4, 2002, titled, "Doc marking," was sent from [REDACTED] to COBB and [REDACTED]. The email from [REDACTED] states:

"Moose and [REDACTED]

This is the marking on the docs compromised at MSFC by [REDACTED]

**The attached document contains data subject to export control laws of the United States. It shall not be used or disclosed to any foreign national, firm, or country, including foreign nationals employed by or associated with the United States, without first complying with the licensing, approval, and all other requirements of the U.S. export control laws, regulations, and directives, including but not limited to Export Administration Regulations of the U.S. Department of Commerce or the International Traffic in Arms Regulations of the U.S. Department of State."**

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On February 23, 2006, [REDACTED] was interviewed (**Exhibit 31**). [REDACTED] provided a Memorandum for Record (MFR) [REDACTED] outlined the chronology of events surrounding the ITAR incident. [REDACTED] stated he became aware of the above mentioned loss through a Washington Post article published on August 8, 2002, and NASA OIG subsequently opened an investigation [REDACTED]

[REDACTED] stated he immediately began to think about whether NASA OIG had a responsibility to report the compromise, and if so, to which federal agencies the matter should be reported. In August 2002, [REDACTED] stated his office [Computer Crimes Division (CCD)] raised the concern to COBB about reporting the loss of ITAR data to either the Department of State or the Department of Commerce. [REDACTED] stated COBB's initial response was that he did not believe there was a \$1.9 billion loss. [REDACTED] explained the loss amount

reflects the aggregate cost to complete all compromised research. According to [ ] COBB wanted to know why the compromise of the information was being considered "a loss," since only "a copy" of the information got out and NASA retained all of its original data. [ ] expressed his disagreement with this mentality to COBB. [ ] felt COBB's priority seemed to be not letting confirmation of the intrusion get out.

[ ] went on to state that in late August 2002, former NASA Administrator Sean O'Keefe (O'Keefe) brought in [ ] from the military, as a Special Advisor on Information Technology (IT) issues. [ ] recognized that ITAR data had been lost, and major fixes needed to be implemented in NASA IT systems. According to [ ] briefed COBB and [ ] in late August 2002, on NASA's intentions to address and safeguard ITAR data. [ ] noted in November 2002, COBB visited the MSFC and tasked [ ] with authoring a "Management Report" for NASA senior management concerning the loss of the \$1.9 billion ITAR data.

[ ] reported three NASA offices are involved in NASA security issues; the OIG, known as "Code W", the Office of Security and Program Protection (OSPP), known as "Code X," and the Office of External Relation, known as "Code I." [ ] stated his point-of-contact at Code X was [ ] (retired), NASA Safeguards and Intelligence Division. [ ] noted NASA had been "plagued with IT security issues" in recent years. By December 2002, conversations regarding the MSFC intrusion had "began to heat up," as the NASA OIG Audit staff confirmed the \$1.9 billion figure. Following discussions with [ ] and other Code X staff, [ ] felt Code X did not want to report the matter to the appropriate federal authorities in order to avoid embarrassment for NASA.

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[ ] senior CCD staff disagreed with Code X's decision to not report the loss for a proper damage assessment. In fact, [ ] was telling CCD not to worry about it. [ ] asked COBB and [ ] if they [NASA OIG] should report the matter. COBB and [ ] told [ ] NASA OIG had no legal mandate to report the matter and [ ]. According to [ ] the rationale for not reporting was based on the interpretation that only unwitting and inadvertent loss by the agency required reporting, and no such reporting requirement existed for theft. [ ] COBB on several occasions that this was failed logic, and it was within the IG's role and responsibilities to report ITAR compromises to the appropriate authorities. [ ] felt if he reported the matter behind COBB's back there would be consequences.

[ ] advised in March 2003, the Management Report addressing ITAR loss was finally released by NASA OIG Headquarters and provided to the MSFC management. "Conspicuously missing" from the report was recommendation language with regard to external reporting of ITAR losses to either the Department of State or Department of Commerce. [ ] stated the Management Report had been altered at NASA OIG Headquarters from [ ] original submission, which contained specific language for a reporting requirement.

[ ] had many lengthy conversations and arguments with COBB as to why the compromised data was ITAR, and why it should be assessed for national security reasons. [ ] opined the reason COBB did not want to report the intrusion was that it would have been bad publicity for NASA. [ ]



further stated if COBB, in his role as NASA OIG, learns of an "improper NASA element he should question or resolve it." In [ ] judgment, the matter rose to that level for COBB. [ ] added, "COBB should have got involved and he didn't go for it." [ ] added, "For all we know the French may now be in possession of guidance issues and propulsion technology."

[ ] Code I, and asked if there is a requirement for Code W [NASA OIG] to report the compromise of ITAR data to the Department of State. [ ] stated he had [ ] International Transfer Policy and NASA Export Administration, in his office and [ ] was an ITAR expert. According to [ ] the OIG had no requirement to report the ITAR loss at the MSFC to the Department of State. [ ] added that in the past they have made "Voluntary Disclosures" to the Department of State when NASA has had export control violations. [ ] advised [ ] that only three ITAR documents were compromised at the MSFC. [ ] informed [ ] indicated a much larger number of compromised ITAR documents and data. [ ] once again told [ ] the OIG was not required to report the compromise of ITAR data to the Department of State.

In late winter 2003, [ ] learned of a General Services Administration (GSA), OIG Hotline complaint alleging a cover-up of the ITAR loss at the MSFC. According to [ ] a retired U.S. Secret Service (USSS) agent at GSA OIG contacted [ ] [retired USSS agent], [ ] Code X, to advise of the receipt of the complaint. Around the same time, COBB informed [ ] [ ] had contacted him to discuss the GSA OIG Hotline complaint. [ ] is not aware how this issue was finally resolved.

[ ] explained in June 2003, COBB's Congressional testimony with regard to the ITAR loss was "watered-down" [ ] drafted the original version of COBB's testimony in coordination with the CCD staff, and submitted it to COBB. A second version was edited by the front office staff [unsure of whom] and sent back to COBB for review and revisions. A final version of the testimony was developed and eventually submitted to Congress by COBB. [ ] claimed the original submission and draft versions were much more compelling and informational.

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[ ] in September 2003, and reported her office wanted to conduct a threat assessment of the compromised data. [ ] requested a copy of all the electronic technology data downloaded during the computer intrusion. [ ] provided supporting documentation to support [ ] request and [ ] response. [ ] did not know if COBB was briefed on the release of information to DCIS. According to [ ] at the conclusion of the DCIS review it was determined the MSFC intrusion "had an impact on national security," and more assessments should be done.

[ ] discussed the final paragraph [ ] typed MFR, dated February 23, 2006, which states: "It took over a year for the loss [referring to the MSFC case] to be assessed by DOD, who opined the stolen ITAR had national security implications (no further information). For whatever reason, NASA senior management [Code X] failed to report the loss. By definition and purpose of the OIG's oversight role, the IG [COBB] should have recognized the Code X's misinterpretation and misplaced emphasis and

ensured the proper parties were alerted. Even after being coached by experienced OIG staff, the IG failed to act."

On April 19, 2006, [ ] was interviewed and provided the following information (**Exhibit 60**). [ ] opined none of COBB's actions or decisions concerning the ITAR case were inappropriate. [ ] opined that COBB "did not want to risk" giving NASA intellectual property information to the Department of State or other agencies NASA OIG was not supposed to release the information to. According to [ ] COBB could have "gotten into trouble" for disclosing such information without NASA approval.

On May 8, 2006, [ ] was interviewed and provided the following information (**Exhibit 104**). According to [ ] [ ] did not "hack" NASA in the true sense of the word. [ ] reported [ ] merely accessed and downloaded the information. [ ] did this from a "publicly accessible NASA server" that anyone could have accessed via "the Google search engine."

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[ ] stated around December 2002, he contacted an "official" at the Department of State. [ ] asked the official some general questions about the release or compromise of ITAR information. The official explained in situations where ITAR protected information is "accidentally taken through no fault of the agency," or, "where a mistake is made in distributing ITAR," the agency must formally report the release to the Department of State. [ ] stated that this matter was "sort of a gray area" in only a copy of the information was taken and NASA maintained the original.

[ ] discussed five major issues regarding COBB's handling of the ITAR case.

First, [ ] opined COBB was not comfortable with the \$1.9 billion figure. [ ] developed this notion because COBB tasked the NASA OIG Office of Audit with conducting three reviews of the loss calculation before he accepted their determination. With each version, the loss figure would increase by several thousand dollars. [ ] stated approximately three to four months after the ITAR case began [ ]

[ ] During the [ ] it seemed as though they [COBB] [ ] were "looking for a way to disprove [ ] reporting." [ ]

As a second concern, [ ] stated COBB "watered down" his testimony to Congress in June 2003 concerning the ITAR compromise at the MSFC. In the weeks leading up to COBB's scheduled appearance on the Hill, [ ] COBB's testimony with regard to reporting the ITAR issue. The document went through several revisions by COBB [ ] By the time the final version was released, [ ] stated, "The meat of it was taken out and downgraded by COBB [ ] That is, the dollar amount and specific information about the compromise had been removed. Shortly before COBB was set to testify, [ ]

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Third, [ ] felt COBB waited too long to approve the release of the compromised ITAR material to the DCIS. It took over a year before DCIS was given a copy of the compromised ITAR material.

Fourth, [ ] disagreed with COBB's decision to not report the ITAR compromise to the Department of State. [ ] that took place a few months after the ITAR case began. [ ] "It's NASA's job to report the matter to the Department of State, not the OIG." [ ] that NASA OIG should at least give the State Department "the courtesy of reporting the matter." [ ] was only regurgitating COBB's feelings on the subject.

On May 22, 2006 [ ] was re-interviewed (**Exhibit 124**). [ ] was shown page two from a letter signed by COBB and addressed to Chris Swecker, Chair, IC, PCIE, titled "Integrity Committee (IC) #429," dated July 20, 2004. However, [ ] was not shown the first page of the letter, or told whom the letter was addressed to. [ ] was only told COBB provided the subject letter in response to questioning from an official body. The section pointed out to [ ] states, in part:

"The second allegation is that the NASA OIG failed to report a \$1.9 billion loss of Space Shuttle intellectual property. The complainant specifically alleges that this loss should have been reported outside the Agency. This matter is still the subject of an ongoing law enforcement investigation concerning the compromise of International Trafficking in Arms Regulations (ITAR)-controlled information.

A report was provided to NASA management at the Marshall Space Flight Center in Huntsville, AL, on April 3, 2003, with courtesy copies to appropriate Headquarters personnel. [...] In addition, I alluded in Congressional testimony on this matter on June 23, 2003, before the House Subcommittee on Technology, Information Policy, Intergovernmental Affairs, and the Census. [...] This specific case provides the underpinning for my statement on page 6, under the heading, '*Unauthorized Access to Sensitive Information*' (Enclosure 3)."

Upon review of the above referenced paragraphs, [ ] stated neither the "Management Report or IG COBB's Congressional testimony" reported the compromise to the appropriate authorities. [ ] stated COBB should have immediately reported the ITAR compromise to the Department of State after learning NASA management failed to take the appropriate action. The problem at the time of the ITAR compromise (June 2002) was with Code X and [ ] COBB looked at Code X and CI issues

as "a source of grief" and the easiest way for "this to go away was to acquiesce to [redacted]" Both COBB [redacted] on a number of occasions that there was no legal requirement for NASA OIG to report the matter to the Department of State. [redacted] COBB [redacted] the entire CCD management staff disagreed with this "non-reporting" mentality.

With regard to COBB's remarks concerning his Congressional testimony as described above, [redacted] COBB's testimony on the ITAR subject. [redacted] COBB could have given a response that was much clearer. [redacted] interpretation of the Congressional testimony was that COBB "put it in such a way that there was no issue." [redacted] was asked to discuss another of COBB's remarks to Congress on June 23, 2003, made under the section for "Unauthorized Access to Sensitive Information," which states: "It would not be appropriate to share the details in any open forum." [redacted] stated, "I don't buy that. Did he report the ITAR compromise in a closed session?" Further, [redacted] felt COBB should have approached O'Keefe about the matter since Code X refused to report the compromise to the Department of State.

On May 24, 2006, HUD OIG provided a letter and two DVD's containing the data stolen/compromised in June 2002 from the MSFC, to Special Agent [redacted] U.S. Immigration and Customs Enforcement (ICE), Washington, D.C. The letter requested a review of the data to determine if it contained ITAR and/or EAR information. In turn, [redacted] requested [redacted] Department of Defense (DoD), DTSA, evaluate the data for ITAR and/or EAR information.

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On June 16, 2006, [redacted] forwarded an email regarding "Subject: Preliminary findings on RR-06-0000381," wherein [redacted] provides a preliminary finding relative to the possible uncontrolled export of the data from NASA's MSFC (**Exhibit 161**). [redacted] email states, in part:

"As you requested, I am giving you some preliminary inputs on subject case.

The 2 DVD's contain a total of 6.31 GB of data comprising 31 folders with 12,872 documents containing over 158,000 pages of information. Of these, only 71 documents were marked "Approved for Public Release." The overwhelming majority of the remaining 12,801 documents were either marked as company proprietary information or as technical data governed by the International Traffic in Arms Regulations (ITAR). A smaller number of documents contain management and programmatic information that was not technical in nature. [...]

As a result of this review, DTSA/TD has determined that current DoD programs and missions have not been directly impacted by the theft of this information. It is possible that future operations may be impacted; however, such an impact depends on who had access to the information and what they have been able or will be able to do with it.

There are three areas in which information on these DVD's may affect future military operations. All three of these areas are related to liquid rocket engine design and manufacturing.

1. The first area is that of advanced cryogenic rocket engine design. The information

concerning the Co-optimized Booster for Reusable Applications (COBRA) contains specific details regarding the design (size, shape, materials) of an advanced cryogenic rocket engine. [...] Such an improved lift capability could provide an increased ability to carry out intelligence, surveillance, and reconnaissance mission from space to a foreign country. In this way, future U.S. military operations could be affected as a result of this information falling into the wrong hands.

2. The second area is that of rocket engine component design for hypergolic propellants. [...] Those countries with intercontinental ballistic missile (ICBM) capabilities, most notably Russia and China, currently have deployed ICBM's which use hypergolic propellants. In addition, both countries use hypergolic propellants for their commercial launch vehicles. This information could definitely assist the Chinese with improving their rocket engines for both ICBMs and commercial launch vehicles. In addition, this information in the hands of designers of shorter range missiles could hasten planned enhancements or enable unplanned improvements.

3. The third area of concern is that of general design and analyses. The DVD's contain a vast amount of information regarding tests carried out either on actual hardware or through computer models. [...] While this information does not have an immediate impact to U.S. military operations, the knowledge gained could lead to eventual breakthroughs in rocket system or space launch vehicle capabilities of a potential adversary."

On June 20, 2006, Francis P. LaRocca, Counsel to the IG, was interviewed and provided the following information (**Exhibit 169**). LaRocca stated there were allegations a foreign hacker stole NASA ITAR information from a poorly password protected NASA computer system and sent the stolen ITAR information to France. LaRocca assisted COBB in drafting a letter to the PCIE concerning the matter. LaRocca stated there was an issue as to whether NASA withheld this from the Department of State. LaRocca advised the issue was brought to NASA's attention, and Code X [NASA's security office] was supposed to report it. LaRocca thinks someone should have reported the issue to the Department of State.

On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB's response to the subject ITAR compromise is located on Page 251 through Page 318 of the interview transcript.

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On July 26, 2006, [ ] was interviewed (**Exhibit 196**). In regards to the alleged export of data from the MSFC in June 2002, [ ] originally heard approximately one gigabyte of information was obtained from a MSFC computer by a hacker. It was [ ] understanding approximately 20 to 25 percent of the stolen data was ITAR-controlled. Some of the stolen documents contained vehicle engine data for the space shuttle. All of the information provided to [ ] indicated that NASA's data was obtained by a computer "hacking," wherein information technology safeguards (i.e., "firewall") were defeated in order to access the information. It was [ ] understanding no one at NASA intentionally or unknowingly transferred ITAR-controlled data to an individual.

[ ] later learned, in either February or March 2006, the volume of information stolen from MSFC was

approximately 6 gigabytes. Around this time, [ ] was interviewed by Special Agent [ ] Department of Commerce, Bureau of Industry and Security (BIS), who believed NASA personnel failed to disclose an export of EAR controlled data in relation to the MSFC theft. [ ] disagreed with [ ] assertion because he did not believe any of the data was EAR-controlled. Further, since the export was a theft, then according to Title 22 of the Code of Federal Regulations (CFR) concerning ITAR, a disclosure to the Department of State was not required or necessary. [ ] stated if the data stolen from MSFC was placed by NASA personnel on a publicly accessible website, he would have filed a formal "Voluntary Disclosure [Form 127]" with the Department of State because it was "the right thing to do."

In the MSFC theft of data case, [ ] around the time he learned of the case in 2002 to report what had occurred. [ ] advised he called [ ] around February 2006, and both stated they recalled the incident, but could not specifically recall having a conversation with [ ] about the incident in 2002. [ ] advised he did not have any e-mails or other documentation regarding his conversations with former [ ]

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[ ] advised the responsibility to report export control violations rests with [ ] and his office. NASA OIG never had a requirement to report export control violations, nor did he personally believe it was their job to do so. [ ] stated the only reason NASA OIG may step in on an export control violation would be a situation where he was corrupt or just plain wrong. [ ] stated NASA regulations regarding export controls are promulgated in NASA Procedural Requirement (NPR) 2190.1.

[ ] did not speak with COBB about the case in 2002, but he did recall speaking with a NASA OIG representative about the case in 2002, possibly [ ] told [ ] NASA did not unlawfully transfer any export- controlled information to any foreign entity.

***Allegation 29*** – NASA OIG senior management may have mishandled a complaint regarding the long-term continuing loss of International Traffic in Arms Regulations (ITAR) data, committed by a NASA contractor in central Florida.

***Investigative Findings:***

[redacted] was interviewed to obtain information regarding various allegations received by HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency, and provided the following allegation (**Exhibit 31**). [redacted] provided a voicemail message, dated June 24, 2003, left by the complainant, [redacted]. In July 2003, [redacted] was forwarded the voicemail message from [redacted] who originally phoned [redacted] Public Affairs, NASA Office of Security and Program Protection (Code X), on June 24, 2003, wanting to speak with someone at NASA regarding a number of export control concerns. In his voicemail message, [redacted] stated he mailed a letter with attachments (in excess of 500 pages) dated January 9, 2003, to NASA OIG Headquarters in Washington, DC. In his letter, [redacted] referenced a long-term continuing loss of ITAR data and materials by NASA contractors: United Technologies Corporation (UTC), Pratt & Whitney Division, and the Sikorsky Aircraft Corporation. [redacted] complained he heard absolutely nothing from NASA or any of the other agencies where he mailed his letter. [redacted] forwarded the voicemail message to [redacted] as an email attachment, who replied stating [redacted] complaint was forwarded on to Code X. [redacted] is not aware how this issue was finally resolved.

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[redacted] was interviewed and advised that as [redacted] he had personal knowledge of UTC managers improperly allowing "tons" of ITAR controlled data and materials to be released into the public domain from fall 1998 through spring 2002 (**Exhibit 191**). Since UTC is a major NASA contractor [redacted] sent a letter to NASA OIG to report the possible compromise of the ITAR controlled materials. [redacted] also sent a copy of his complaint letter to the Air Force Office of Special Investigations, Department of Commerce, Department of State, and the Department of Defense. In February 2003 [redacted] was contacted with regard to his complaint by [redacted], U.S. Customs Service (USCS), Washington DC. [redacted] never advised [redacted] if the USCS would investigate the matter. To date, [redacted] has heard nothing from the USCS [presently U.S. Immigration and Customs Enforcement (ICE)] or any of the aforementioned enforcement agencies, to include NASA OIG.

[redacted] was interviewed to determine the status of [redacted] complaint (**Exhibit 191**). [redacted] faxed a "Case Referral" memorandum dated February 27, 2003, sent from [redacted] to the NASA Code X. The memorandum revealed [redacted] complaint was referred to Code X for any action deemed warranted. The matter was recorded in the NASA OIG Reporting System (NORS) database with case number "O-KE-03-0223-HL."

Special Agent [redacted] ICE, Washington, D.C., was contacted and advised [redacted] was now retired and that ICE had no record of [redacted] complaint (**Exhibit 191**). After hearing the facts of the case, [redacted] suggested [redacted] contact his regional ICE office in St. Louis, Missouri, which was later accomplished.

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**Allegation 30** – Inspector General COBB used his position to obstruct NASA OIG search warrant execution efforts in a case originating at the Stennis Space Center (SSC), Mississippi.

**Investigative Findings:**

On January 31, 2006, [REDACTED] was interviewed regarding the complaint [REDACTED] submitted to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (Exhibit 1). In [REDACTED] complaint, [REDACTED] alleged COBB used his position to obstruct NASA OIG search warrant execution efforts in a case originating at the SSC. It was alleged COBB's actions were taken in order to avoid any potential embarrassment for senior NASA managers and the SSC Director. In [REDACTED] complaint, [REDACTED] stated, in part:

"I believe that the Inspector General does not carry out his duties in an impartial and independent manner, and that because he is fearful of offending the agency, he interferes in civil and criminal investigations, taking acts that meet the elements of obstruction of justice."

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[REDACTED] understanding of obstruction of justice and the elements necessary to prove such an allegation, as the subject of the allegation must have intent. [REDACTED] advised that COBB attempted to stop the execution of a search warrant. [REDACTED] it might have resulted in an obstruction of justice. [REDACTED] was of the opinion that "He [COBB] puts his desires to be loved and admired by NASA Center Directors before his responsibility to oversee legitimate law enforcement efforts and investigations."

[REDACTED]

[REDACTED]

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COBB finally allowed the search warrant to proceed. [REDACTED]

[REDACTED]



[REDACTED]

On April 19, 2006, [REDACTED] was interviewed (**Exhibit 64**). [REDACTED] stated when he performed duties as a [REDACTED] at NASA OIG Headquarters from 2003 to 2004 he recalled a case originating from the SSC involving a search warrant on the NASA Center property. [REDACTED] According to [REDACTED] COBB delayed the execution of the signed search warrant for a few hours because COBB was "unsure that what [REDACTED] was going after was a clear violation of law." [REDACTED] recalled hearing that COBB wondered if the assigned Assistant United States Attorney (AUSA) was aware there was "murky ground in this area of law."

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[REDACTED]

On April 26, 2006, [REDACTED] was interviewed and provided the following information (**Exhibit 78**). [REDACTED] initiated the case on December 2, 2004, based on information he received from a NASA employee. On December 3, 2004, [REDACTED] contacted Special Agent [REDACTED] of the FBI concerning this case. [REDACTED] presented the case to AUSA Jay Golden (Golden). Golden accepted the case. Golden concurred with [REDACTED] that a search warrant should be executed on Radiance's office space located in a NASA building on the SSC, as well as the on center offices of the remaining subjects.

On December 8, 2004, [REDACTED] drafted and swore to an affidavit for this search warrant before U.S. Magistrate Judge Robert Walker (Walker). Judge Walker approved the request for the search warrant. The FBI was to assist in the execution of the search warrant. The execution of the search warrant was scheduled for 8:00 a.m. on December 9, 2004. The search warrant team assembled in [REDACTED] office at SSC, on the morning of December 9, 2004. At this time, he received a call from LaRocca. LaRocca instructed him to "stand down," and not execute the search warrant. According to [REDACTED] LaRocca stated, "There is no case here, you don't have a procurement integrity violation." LaRocca said he was speaking for COBB. COBB did not want [REDACTED] to execute the search warrant until he gave permission to do so. [REDACTED] explained to LaRocca the AUSA and a Federal Magistrate Judge both agreed there was probable cause to execute the search warrant. [REDACTED] believes he told LaRocca, "We'll turn this over to the FBI and they'll go execute it. You can't stop them." According to [REDACTED] LaRocca would not listen to him and ended the conversation.

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[REDACTED] informed the FBI agents who were present to assist with the execution of the search warrant about the delay. [REDACTED] then called Golden to brief him. During this conversation, Golden stated COBB's delay of the search warrant had the appearance of obstruction of justice. [REDACTED] stated COBB

called him shortly after he spoke to Golden. During this phone call, COBB stated he was aware of "friction" between the SSC Applied Sciences Division and another NASA division at SSC. [ ] could not recall the name of the other NASA division. COBB was concerned the execution of a search warrant on the offices of two Applied Sciences Division employees would give the appearance NASA OIG was taking sides in the ongoing dispute.

[ ] teleconferenced Golden into his telephone conversation with COBB. [ ] advised there was no confrontation between COBB and Golden during this conversation. [ ] and Golden explained to COBB the search warrant was an investigative tool. In addition, a Magistrate Judge agreed there was probable cause for the search. [ ] assured COBB the warrant would be "professionally executed" in a non-tactical and low-key fashion. [ ] recalled COBB was concerned about how NASA OIG would appear if the search yielded no evidence. COBB made a statement to the effect of who was going to explain NASA OIG's actions to the Center Director at SSC. Additionally, COBB was concerned about who was going to apologize for the search warrant to the SSC Director. [ ] said COBB expressed the belief the search was a mistake. [ ] expressed his disagreement with COBB in a very tactful way.

[ ] stated COBB called [ ] and allowed them to execute the search warrant at 2:00 p.m. on December 9, 2004. After the search, [ ] recalled discussing with [ ] that the subjects may have been alerted to the impending search and possibly removed the evidence being sought. The Radiance employees were not surprised when the warrant was executed. [ ] stated he believes the element of surprise was lost because of the delay.

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This case caused a NASA OIG policy to be implemented which directs that COBB will review all search warrant affidavits before they are brought before a judge. [ ] believes this policy is causing some NASA OIG agents to operate under the belief they have to gain COBB's approval before presenting a search warrant to an AUSA.

On April 27, 2006, [ ] was interviewed and provided the following information (**Exhibit 81**). [ ] on the day prior to the search warrant execution when he received a phone call from COBB. During this conversation COBB stated, "You may not have enough here for a search warrant." [ ] replied, "Well, a Federal Magistrate Judge thinks we do!" [ ] thought he was able to satisfy COBB's concerns about the warrant during this conversation.

[ ] At approximately 8:00 a.m. the next morning, he was in [ ] office at SSC preparing to execute the warrant. [ ] received the phone call from LaRocca telling them to hold off in executing the warrant until COBB said they could. [ ] disagreed with LaRocca about stopping the warrant execution, but LaRocca would not listen to him.

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Several special agents from the FBI were present to assist in the execution of the warrant. At noon, the FBI Special Agent in Charge called [ ] to say if NASA OIG would not execute the warrant, the FBI would take over the case and the FBI would execute the warrant. [ ] called LaRocca and relayed this information to him. COBB got on the line during this conversation and stated he "felt the AUSA did not think this through." [ ] then teleconferenced the AUSA into the conversation. The AUSA was finally able to convince COBB to allow NASA OIG special agents to execute the

warrant. [ ] believes the delay could have allowed the targets of the search warrant to remove or destroy evidence. [ ] has no proof substantiating that the destruction or removal of evidence occurred.

[ ] stated COBB discussed this case in a meeting at a NASA OIG Managers conference in San Antonio, Texas. This occurred approximately one month after the warrant was executed. According to [ ] COBB expressed the belief that the search warrant was wrong and should not have been conducted. [ ] upon hearing COBB's comments, stood up and said, "...the agent did what he should have done, and I would do the same thing again today." COBB "backed down" from his position that the search warrant was wrong. There was no further confrontation over the search warrant with COBB in this meeting.

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[ ] personally would not term COBB's interference in the search warrant as obstruction of justice. [ ] believes someone should investigate whether COBB actually did obstruct justice by delaying the search warrant execution. [ ] stated COBB interfered with the search warrant involving senior NASA personnel who were subjects of the investigation. Also the search warrant was executed on NASA property. According to [ ] the actions by COBB have "created a perception within NASA and NASA OIG that COBB favors and is protecting, NASA management."

On June 20, 2006, LaRocca was interviewed (**Exhibit 169**). LaRocca stated that COBB and [ ] had a debate regarding whether there was probable cause to support the search warrant. [ ] believed there was enough probable cause to support the search warrant. LaRocca agreed with COBB, and believed there was not enough probable cause. [ ] LaRocca called Golden and told him to hold off on the search warrant until the matter was cleared up at NASA OIG Headquarters. Golden advised he had a team of agents from the FBI ready to execute the warrant. Ultimately FBI and NASA OIG agents executed the search warrant. LaRocca opined COBB thought it was an illegal search warrant, and he should have gone to the Attorney General or the United States Attorney above Golden.

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After the SSC search warrant, LaRocca advised COBB search warrants should be reviewed by the NASA OIG counsel's office before they go to an AUSA and Magistrate Judge. LaRocca believes currently someone within COBB's immediate executive office reviews search warrants before they go to an AUSA and Magistrate Judge. According to LaRocca, COBB believes NASA OIG special agents should use methods other than search warrants to get the information they need. Specifically, special agents should employ methods that are less intrusive. LaRocca opined that COBB does not want to be blindsided by telephone calls from NASA Center Directors relative to the execution of search warrants by NASA OIG at NASA Centers. LaRocca told COBB that when Center Directors call, he should tell them to "go fuck themselves."

**Allegation 31** – Inspector General COBB used his position to obstruct NASA OIG search warrant execution efforts in a case originating at the Marshall Space Flight Center (MSFC), Alabama.

**Investigative Findings:**

On January 31, 2006, [REDACTED]  
[REDACTED] was interviewed regarding the complaint [REDACTED] submitted to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (Exhibit 1). In [REDACTED] complaint, [REDACTED] alleged COBB used his position to obstruct NASA OIG search warrant execution efforts in a case originating at the MSFC. It was alleged COBB's actions were taken in order to avoid any potential embarrassment for senior NASA managers and the MSFC Director. In [REDACTED] complaint, [REDACTED] stated, in part:

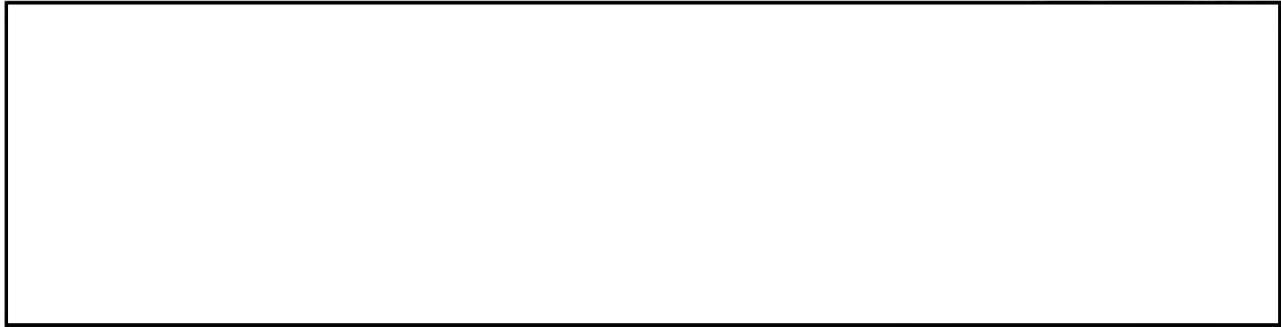
"I believe that the Inspector General does not carry out his duties in an impartial and independent manner, and that because he is fearful of offending the agency, he interferes in civil and criminal investigations, taking acts that meet the elements of obstruction of justice."

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[REDACTED] understanding of obstruction of justice, and the elements necessary to prove such an allegation, as the subject of the allegation must have intent. [REDACTED] advised that COBB attempted to stop the execution of a search warrant, [REDACTED] it might have resulted in an obstruction of justice "He [COBB] puts his desires to be loved and admired by NASA Center Directors before his responsibility to oversee legitimate law enforcement efforts and investigations."

[REDACTED] that he was working on a search warrant with the local Assistant United States Attorney (AUSA) for a NASA employee's office at the MSFC. [REDACTED] he wanted to execute the warrant by June 30, 2005, as the employee was about to be reassigned and evidence might be lost. [REDACTED] and advised that the AUSA had approved the warrant.

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On April 24, 2006 [redacted] was interviewed and provided the following information (Exhibit 74). [redacted] stated the subject of the aforementioned investigation was [redacted] for a NASA contract with Lear Services Incorporated (LSI). The NASA contract called for LSI to provide operations and maintenance support for a gulf-stream aircraft known as NASA-III. [redacted] stated that in addition to being the [redacted]

[redacted] reported that in June 2005, NASA OIG received a tip from an anonymous source indicating several LSI management employees had "falsified maintenance records relating to NASA-III." The source further alleged [redacted]

[redacted] The above-mentioned search warrant was for [redacted] government office space located on the MSFC.

A short time before [redacted] planned to take the search warrant affidavit before a U.S. Magistrate, a new directive came out from NASA OIG Headquarters. Under the new directive, all search warrant affidavits had to be sent to NASA OIG Headquarters for approval by [redacted] prior to going before a judge. The directive resulted from a delay in the execution of a different search warrant in December 2004, at the Stennis Space Center (SSC), Mississippi, and originating from a case assigned to Special Agent [redacted] advised the informal phrase "The Haughton Rule" is sarcastically used throughout NASA OIG to describe the directive, and COBB's involvement in the search warrant review and approval process.

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After [redacted] received approval for the subject search warrant affidavit from the assigned AUSA Russ Penfield (Penfield), he forwarded a copy of the underlying statement of facts to [redacted] on Wednesday, June 29, 2005. Later that same day [redacted] phoned his immediate supervisor, [redacted] and advised [redacted] could go forward with the affidavit to a U.S. Magistrate. The Honorable Magistrate Judge Harwell Davis, U.S. District Court for the Northern District of Alabama, signed the search warrant later that same afternoon.

[redacted] planned to execute the search warrant the next morning, Thursday, June 30, 2005, with the assistance of the Federal Bureau of Investigation (FBI). According to [redacted] there was a "sense of urgency" to execute the search warrant since he had learned from NASA management that [redacted] was shortly going to be reassigned to a different department on the MSFC. On the morning of June 30, 2005,

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[ ] were called by [ ] who told them to “hold off on executing the search warrant per Moose.” No one else was present during the phone conversation between [ ] and [ ] COBB’s directions caught him completely off guard since [ ] had approved the affidavit, the AUSA had signed off on the final draft, and the judge had found sufficient probable cause to issue the warrant. Upon hearing the news that morning from [ ] that the NASA IG had placed the search warrant execution on hold, local FBI supervisor [ ] told [ ] “You’ve got to be joking. What is he thinking?” Throughout the day assisting FBI Special Agent [ ] was prepared and offered to execute the signed search warrant without the assistance of NASA OIG. [ ] asked [ ] to wait for NASA OIG Headquarters approval.

[ ] stated, “I could not believe COBB called a stop to the search warrant execution before even having an opportunity to read the underlying statement of facts.” COBB delayed the search warrant execution until the following week. On Wednesday, July 6, 2005, [ ] were called by [ ] and told they could “go ahead and serve the search warrant.” [ ] told [ ] COBB had changed his mind and was allowing the search warrant to proceed after she told COBB, “The search warrant says you are commanded to search.”

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The search warrant was executed on Thursday, July 7, 2005, with the assistance of the FBI. [ ] stated the warrant was executed in a “low-key” manner, with all entry team and search agents wearing business attire and no police raid jackets or like equipment.

[ ] stated the search warrant did not yield any significant results. The case is still open. Since the search warrant was executed within the required ten-day time period, it was not entirely unreasonable for COBB to delay execution until his concerns were satisfied. Nonetheless, [ ] felt COBB’s involvement was an embarrassment to NASA OIG in the eyes of their law enforcement partners, such as the FBI and the United States Attorney’s Office.

[ ] reported initially Penfield was “stunned” the search warrant had been put on hold, but later changed his mind. Penfield told [ ] he could understand why COBB wanted to hold off on the execution until all of his questions were answered. Penfield’s feelings changed on the matter because he realized COBB is ultimately responsible for the actions of his agents, and COBB would have to explain any mistakes to NASA management. In a subsequent meeting Penfield told [ ] he could also understand COBB’s position of “not wanting to hurt NASA’s publicity.” In [ ] opinion, COBB showed a lack of independence in that he “shouldn’t care about generating bad publicity to NASA.”

On April 27, 2006, [ ] was interviewed and provided the following information (**Exhibit 81**). [ ] stated [ ] case involved Procurement Integrity Act violations by a senior NASA official. The AUSA who accepted the case for prosecution [Penfield] wanted [ ] to obtain a search warrant. The AUSA wanted a search warrant so the subject of the investigation could not utilize a “reasonable expectation of privacy violation” defense if the case went to trial. [ ] reviewed and concurred with the search warrant affidavit prior to the planned warrant execution.

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[ ] called [ ] the day of the search and stated COBB had concerns about the warrant. [ ] stated COBB thought getting a search warrant was using “Gestapo tactics.” Also COBB questioned why the warrant was being executed during business hours instead of at night. [ ] told [ ] COBB

wanted [ ] in Washington, D.C., to explain why they needed a search warrant. [ ] called him a few days later to say they could go ahead with the warrant.

[ ] advised [ ] search warrant was delayed by almost a week by COBB. [ ] case was very time sensitive because the subject of the investigation was facing adverse administrative action. The subject could remove or destroy important evidence if administrative action was carried out before the search warrant was executed. [ ] personally would not term COBB's interference in the search warrant as obstruction of justice. [ ] believes someone should investigate whether COBB actually did obstruct justice by delaying the search warrant execution, because COBB interfered with the search warrant involving senior NASA personnel who were subjects of the investigation. Also the search warrant was executed on NASA property. According to [ ] these actions by COBB have "created a perception within NASA and NASA OIG that COBB favors and is protecting, NASA management."

On June 20, 2006 LaRocca, was interviewed (**Exhibit 169**). LaRocca was asked if he had any knowledge regarding COBB's alleged delay of the execution of two NASA OIG search warrants. LaRocca did not recall much regarding the search warrant at MSFC, but believes it involved allegations that a contracting officer was receiving gratuities.

On June 27, 2006, COBB was interviewed regarding the subject federal search warrant (**Exhibit 182**). COBB's testimony is located on page 237 through page 245 of the interview transcript.

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A. ...Because I think that I think what we're talking about in that instance was [ ] brought into my office a search warrant that our office intended to serve the next day at I believe the Marshall Space Flight Center. She was doing this for purposes of letting me know that we have a warrant that's going to be served on campus, and that raises an issue of I might get a call from a center director or other concerned person about this action that our office has taken and that's a good thing she would notify me.

So she handed me the search warrant. I read the search warrant. It looked to me like what was articulated in the search warrant wasn't -- might not be a crime. Specifically, there was a question of theft of proprietary information; and the question was -- if we're talking about the same event which I think we probably are, whether there was a theft of proprietary information and the information had been generated by a government employee.

So having been around government for a little while, I noted the basic rule on proprietary information is if it is generated by a government employee, it is not proprietary, it is something that is in effect owned by the public domain. That's a complex issue because there's something called technology transfer and there's a lot of issues associated with that. So I raised the question of whether or not, gee, was there fundamentally in connection with this probable cause determination that is a prerequisite to a signature on a search warrant, whether or not there was actually a crime that underpinned the search warrant.

[ ] response to my question was I don't think you can ask that question. In her mind, it was an interference with an investigation that was taking place by the Inspector General and that that was in

effect out of the box on me asking the question. You know, I think it is in the box for me to try to use my skills as attorney and as the presiding official, the President and trusted appointee position, to make sure the laws of the United States are upheld. So here I thought we had a questionable warrant.

So I called in -- I said, don't we get Frank LaRocca counsel to the IG involved. Brought Frank in. I said, Frank, have you seen this search warrant? My recollection of the conversation was something along the lines of Frank saw it and said I did see that. I had a question about it. His question was the same question I had. So what we thought -- what I thought we had was a question of whether or not we had a legitimate search warrant.

And [ ] was very upset at the idea that I would be asking the questions and, in fact, contemplating calling the United States Attorney for the District to call him and ask him and say, hey, I'm looking at this thing wondering whether or not there's a crime here. Are we about to serve a warrant that's fundamentally -- you know -- incorrect in its articulation.

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So that's what that was about.

Q. Was this a warrant that had been signed, reviewed and signed by a Magistrate Judge?

A. Yes.

Q. So -- it had, am I correct, as I understand the process, and as I've been involved in the process, generally -- not generally, what happens is the warrant is drafted by the agent, it is reviewed and approved by the U.S. Attorney or Assistant U.S. Attorney and goes to a Magistrate Judge who ultimately decides whether or not there's probable cause; and if in that Magistrate Judge's opinion there is probable cause, the warrant is then signed?

A. That's right.

Q. So you were questioning both the assistant U.S. Attorney's opinion as well as the Magistrate Judge who had signed the warrant as to whether or not probable cause existed; is that correct?

A. I was raising the question of whether or not there was a mistake in the issuance of this -- of the signatures associated with this search warrant. Absolutely.

Q. What mistake particularly?

A. What was contemplated and thought of as being a crime wasn't fundamentally a crime.

Q. What was that crime, do you recall?

A. My recollection is exactly as I just explained that had to do with the theft of the proprietary information. That was the essence of what the basis for the probable cause determination was. I had a question as to whether or not the facts if you took them all as true as alleged in, I think, there was probably a supporting affidavit with the search warrant, whether you took the facts as true, whether or

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not they constituted a crime.

I had a substantial question about that. And as it turned out, independently, my OIG counsel had the same question. Then the question was what do we do, now that we have this question about it. [REDACTED] adamant view articulated in her personal style which is emotional was that -- you know -- that in effect, for me to ask the question was interference with an investigation, and I'm reading that as saying she thinks I'm obstructing justice in questions with the execution of the warrant. I'm just trying to uphold the laws of the United States and fulfill the job I've been appointed to do.

If there's a mistake in a search warrant, I'm going to be concerned about that. Then the question is how do we handle it from there.

Q. Was there a mistake?

A. I never got the answer to that question.

Q. You strike me as someone who would want the answer. Did you attempt to get the answer?

A. Well, here's how we decided to handle it. We decided that Frank would all the AUSA involved and alert them to the question that we had in connection with the search warrant. My understanding is Frank made that call. He had a conversation with the AUSA. The AUSA articulated that he was comfortable with everything that had transpired in connection with the execution of the warrant.

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And we didn't question it further. I'd say that's how it was handled.

Q. So am I to understand that it was then your belief there was not a mistake?

A. No. I'm saying I did not push -- I did not push the issue to the conclusion that would have given me best feeling about our execution of this warrant because -- you know -- hey, I compromised on the issue.

And -- you know -- I would have felt a lot better about that issue, that particular issue, if someone, somewhere could have articulated to me what the crime was that we think was occurring in connection with that, and that never occurred.

Basically, Frank had the conversation with the AUSA. I did not believe that the seriousness of the circumstances warranted my picking up the phone and asking the question to the U.S. Attorney for the District; and to get, in effect, a legal opinion that what was articulated in these papers was, in fact, a crime.

To this day, I don't know. I still have the question. It was never answered. My gut feeling based on my prior experience was I don't know. 'Cause I had the question. The general rule is when you raise -- when you generate information as a government employee, it is not proprietary.

That's my understanding of the law. But again I didn't research the topic and from what I could tell, I don't know if anybody else did either.

BY [REDACTED]

Q. I'm surprised that you don't know the answer to that, but I believe that you don't. Let me ask you this however: The search warrant was executed, I assume?

A. Yes.

Q. Some level of evidence was seized or not seized?

A. It was executed.

Q. Some level of evidence was seized?

A. I think so.

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Q. Was there a prosecution in that case?

A. I don't believe so. In fact, whatever it was that they were looking for to establish something as a crime, to my knowledge, they didn't find it.

Q. Okay. So then the case may or may not have just kind of died under its own weight due to the lack of evidence?

A. I think so. Whether it is still an open matter, I don't know.

BY [REDACTED]

Q. Do you recall the case title?

A. No. I think that the -- I think the agent handling it was [REDACTED] Extraordinarily talented. When I say we have strong agents in our shop, he is right there at the top. He's a very, very bright guy. I know he was involved in it. I know it was at Marshall Space Flight Center, I think. I'm pretty sure about that.

**Allegation 32** – NASA OIG referred a civil matter to the United States Attorney’s Office (USAO) and the case was accepted. Over objections from his staff, Inspector General COBB directed that the NASA OIG report of investigation be withdrawn.

**Investigative Findings:**

Special Agent [redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 9**). In his letter to Senator Nelson, [redacted] stated, “...Shortly after I left NASA, I ran [redacted] a civil case against Lockheed Martin, already accepted by the US Attorney’s Office where the IG wrote an email to the US Attorney in the relevant district and withdrew the case.”

On January 31, 2006, [redacted] was interviewed (**Exhibit 19**). [redacted] COBB [redacted], to write to the Assistant United States Attorney (AUSA) and request that the AUSA withdraw the investigative report on the Genesis investigation [redacted]

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On February 21, 2006, [redacted] was interviewed (**Exhibit 23**). [redacted] explained the Genesis investigation was initiated to investigate gravity switches installed backward or inverted on a satellite. The satellite was collecting space dust. When the satellite returned to earth, parachutes were to deploy,

slowing the satellite down so a helicopter could catch it. However, because the switches were installed incorrectly, the parachutes failed to deploy, causing the satellite to crash in the Utah desert. The crash resulted in environmental issues, an eleven million dollar cleanup, and data recovery issues. The investigation revealed that Lockheed Martin failed to conduct tests, which if performed, could have revealed the problem and possibly prevented the crash of the satellite.

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

On August 30, 2005, COBB wrote an email to Hershman about the Genesis investigation and CC'd USA [redacted] LaRocca, [redacted] COBB wrote:

"Ms. Hershman, I greatly appreciate your support of cases involving NASA over the years and in connection with the current Genesis investigation, and I also am aware of and appreciate your compliments to my staff on their work in this matter. Please allow me to clarify my direction to my staff. I directed my staff to withdraw the report of investigation because its recommendations to the United States Attorney to pursue civil remedies was inconsistent with my understanding of the law concerning the liability of NASA contractors. In addition, where there may be contractor liability resulting from a mishap, normally the agency takes the lead in evaluating what remedies exist civility. Where there is any suggestion of potential criminality, our office has primary authority. As for civil cases, I would not hesitate to aggressively pursue other remedies if it seemed the agency was not conducting its review or legal analysis in a manner consistent with the taxpayer's interests. Given my concerns with the report's recommendations, again, I directed that the report be pulled (and nothing more) so we could conduct a review here at headquarters to make sure that these concerns are addressed. I have directed my counsel, Frank LaRocca, to lead this activity and expect it to be completed in the very near future. I appreciate the advice that you have forwarded to [redacted] and recognize and agree with the import of the advice, which is that the investigation is ongoing.

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I greatly appreciate your help in this and other cases, and we will continue to work hard to bring you evidence of wrongdoing that you can prosecute. Thanks."

[redacted] that approximately two weeks after COBB requested the Genesis report to be pulled,

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COBB directed his legal staff to look into whether or not the Genesis case should be pursued and [redacted] wrote a response to COBB. [redacted] recalled that LaRocca was also consulted on the case. [redacted] stated that Hershman is still pursuing the case.

On September 19, 2005, [redacted] wrote an email to [redacted] [redacted] subject: "Genesis." [redacted] stated, in part:

[redacted] I briefly talked to [redacted] last week after she sent this e-mail and I am still not

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clear on what we are supposed to be doing now. Apparently the IG has said if the case is a matter of negligence/common law we as the IG can't be involved. If it is a False Claims Act case then we can work on it.

[redacted] discussed this issue with our legal [redacted] and I talked to him again today. His interpretation is the IG Act does not prevent us from working on cases like this, he said it may be a matter of our own agency policy rather than the law. He said the IG Act says if the Gov't suffered a loss intentionally or unintentionally then the IG investigates."

On September 22, 2005, COBB wrote a letter to the NASA General Counsel, subject: "Genesis Liability, Our Case No. O-JP-05-0048-O." COBB stated in his letter:

"I want to bring to your attention a matter we have under investigation. We have been exploring whether the facts surrounding the Genesis mishap would give rise to a cause of action based upon fraud, misrepresentation, or one under the civil False Claims Act (FCA).

We have made a referral to the Office of the United States Attorney, Central District of California, Civil Frauds Division, which office has expressed an interest in this matter. While we have not yet proven out possible fraud theories, the Assistant United States Attorney (AUSA) has expressed an interest in pursuing FCA theories as well as other potential causes of action, such as negligence or breach of contract.

Under NPD 9800.1A, our office is the focal point for investigating and coordinating with the Department of Justice (DOJ) on violations of Federal criminal and civil statutes, while the Office of General Counsel is to act as the Agency liaison with the DOJ-except contacts premised on the Inspector General Act, see NPD 1000.3B, SS 4.12.2.5. While our contacts with DOJ to date were based on the Inspector General Act, we believe your office should be involved in coordinating with DOJ on civil matters other than fraud.

We have taken the opportunity to alert [redacted] of the referral in this case, particularly since the breach of contract and tort issues have Contract Disputes Act implications. We will continue to keep these individuals informed of developments in the case, in the absence of other direction from your office. The AUSA is aware of the need to coordinate with your office on the traditional causes of action and is working with [redacted] on this matter."

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On February 21, 2006, [redacted] was interviewed (**Exhibit 22**). [redacted] stated, "I was the [redacted] at the time and the Genesis case was opened December 6, 2004. [redacted] the case to Susan Hershman, AUSA, for possible prosecution."

[redacted] advised COBB was visiting the WFO and while at lunch with the WFO staff. "He [COBB] asked [redacted] why the Genesis investigation was opened, and [redacted] and said, 'Because [redacted] told me to!'" COBB then asked [redacted] why the case was opened. [redacted] told COBB, "Because it [the Genesis satellite] crashed in the desert." [redacted] explained

that there had been a problem with the gravity (G) switch that had been inverted, prohibiting the parachute from deploying. [ ] felt that the contractor should be held accountable, and NASA OIG should pursue criminal, civil or administrative remedies. [ ] decision to open the case and the case may result in a substantial civil recovery.

[ ] to write to the AUSA and withdraw the case. [ ] stated he did not know why COBB wanted the case pulled back, but opined it was political and that COBB was doing what was best for the agency.

On February 22, 2006, [ ] was interviewed (**Exhibit 28**) and provided the following details regarding the Genesis investigation.

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[ ] advised there was some miscommunication and many emails sent during the period the Genesis case was being held in abeyance. [ ] stated, "We were told to put it on pause and to let the dust settle. Let the powers to be figure it out. Then we got a green light, saying to proceed." [ ] recalled there was about a one-month break in the case during September 2005.

The Genesis report of investigation was signed by [ ] and dated July 20, 2005, and was mailed to the USAO in August 2005. [ ] stated an internal review of the case was being conducted by LaRocca and [ ] at NASA OIG Headquarters. [ ] provided a copy of the last page of the Genesis report, which contained a conclusion paragraph. [ ] stated COBB disagreed with the paragraph on the Genesis report, which states:

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"This investigation has determined that the NASA's prime contractor, California Institute of Technology (CalTech) at the Jet Propulsion Laboratory (JPL) in Pasadena, CA, and its subcontractor, Lockheed Martin Space Systems, Littleton, CO, failed to use ordinary care by omitting known vital tests that could have detected the design flaws in the Genesis spacecraft. Due to their intentionally reckless indifference, the U.S. Government has and continues to suffer injury because of their failure to have taken the appropriate actions that would have prevented the catastrophic crash of the Genesis spacecraft in the Utah desert.

Based on the facts in this report, it is recommended that the U.S. Attorney's Office, Civil Frauds Section, review and prosecute CalTech and Lockheed Martin Space Systems for knowingly and intentionally breaching their contractual obligations with the U.S. Government that resulted in the loss of millions of dollars and priceless scientific data."

[ ] stated that the NASA OIG WFO "is trying to build relationships with the USAO, not break them down." [ ] added that COBB's letter did not go over very well with the USAO.

According to [ ] COBB's "biggest bone of contention" was with the legal theory recommendations. COBB disagreed with providing the USAO with legal theory. [ ] stated that Hershman told him she thought NASA OIG should rethink the decision to pull the Genesis report. [ ] stated that the Genesis case is currently ongoing and is being pursued as though nothing had happened.

On February 22, 2006, [ ] was interviewed (**Exhibit 27**). [ ] stated COBB hindered the Genesis case, but she does not know why he interfered. According to [ ] nobody understood the request by COBB, because withdrawing the ROI from the USAO was the same as withdrawing the investigation. Then she heard from [ ] and LaRocca that "we [Headquarters] have a problem with the conclusion" in the ROI. [ ] asked them why, and [ ] and LaRocca told her that it was an "embarrassment to the agency." [ ] stated, "The WFO had to do damage control with the USAO because they didn't want to lose the relationship with that office." [ ] advised that COBB had been aware of the status of the Genesis case, and did not bring up any concerns until August 2005. When COBB visited the WFO, they specifically talked about Genesis, why it was opened and the status of the case. COBB was briefed via biweekly case status reports sent to Headquarters detailing information such as staff meetings with the USAO, staff "working on the report to go to the USAO," etc. During this time, COBB never raised any questions or objections.

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On May 3, 2006, [ ] was interviewed (**Exhibit 95**). [ ] recalled in the Genesis case COBB disagreed with the AUSA assigned to the matter. COBB did not believe the case should be prosecuted, and he did not understand why the AUSA wanted to prosecute the case. COBB advised he wanted the case "pulled back." She believes when COBB directed the case be pulled back, he meant he wanted the case "un-presented" to the USAO. She recalls giving [ ] her unsolicited advice regarding the case. She told [ ] that NASA OIG should go forward with the case if the AUSA wanted to go forward. [ ] and that was the end of the conversation.

On June 28, 2006, [ ] was interviewed (**Exhibit 185**). [ ] was asked about the Genesis case, and his response is located on page 176, line 18 through page 187, line 3 of his interview transcript, and states, in part:

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SPECIAL AGENT [ ] How about the Genesis case? Can you --

[ ] Yeah, I'm familiar with it.

SPECIAL AGENT [ ] Okay. We've been told that this was a case that had been presented to the U.S. Attorney's Office out in California --

[ ] Correct.



SPECIAL AGENT [ ] -- for civil prosecution, and that it was accepted by the U.S. Attorney's Office and assigned to a new USA, who was actually excited the case, and when Mr. Cobb learned of the case, he demanded that the case "be pulled back?"

[ ] That's not an accurate characterization of what happened.

SPECIAL AGENT [ ] Okay. Can you tell us what is accurate?

[ ] Yeah. That essentially, if you want to focus on the pull back, that essentially what happened is that a report of investigations was prepared and sent to the United States Attorney, and it wasn't passed up the chain for review.

SPECIAL AGENT [ ] Up the NASA OIG chain?

[ ] Yes, ma'am. And so when we saw the report, we had concerns about the basis for some of the conclusions that were raised in there, and whether they had been vetted with Office of Investigations management, with our legal staff, and so he asked that they tell the AUSA that we wanted the report back until we had an opportunity to have management review it.

SPECIAL AGENT [ ] Even after the U.S. Attorney's Office had accepted it? Had reviewed it?

[ ] I don't know whether they had reviewed it or not. I don't -- my recollection on the time is --

SPECIAL AGENT [ ] I can tell you based on my experience -- as an experienced criminal investigator that they don't accept a case unless it's been reviewed, and they vetted it.

[ ] No, no, no. No, I'm talking -- we're talking about two different things.

I'm talking about the -- about a report of investigation that was prepared at some time after the case had been initiated. Yeah, I'm not disagreeing that the case was initiated and opened by AUSA and there was work going on. Our agents were doing work and coordinating with the AUSA.

But at some point in time, there was a report prepared by the investigative staff that was provided to the AUSA -- and that was what Moose directed be pulled back until it was sufficient review done of it.

SPECIAL AGENT [ ] Was it common for your ROIs to be up the chain of command past the SAC level?

[ ] It depends. It depends. We had --

SPECIAL AGENT [ ] I mean I'm assuming the SAC had approved this ROI prior to going to the AUSA?

[ ]: Yeah. It could have been, and it could have been approved by the AIGI for that matter. So.

SPECIAL AGENT [ ]: Did the work -- the report was asked -- was your agents at -- were your agents asked to stop work in the case?

[ ] No.

[ ] Were they asked to stop working for just a period of time?

[ ] No.

[ ] Did anybody express a concern that pulling back a report gave the appearance at the U.S. Attorney's Office that you were, in fact, withdrawing the case from their office?

[ ] No. There was -- the concerns that were expressed to us were about embarrassment and, you know, potential damage to working relationships with that particular --

[ ]: Well, those were some of the concerns raised to us and actually --

[ ] Right.

[ ] -- they tell us that it wasn't the potential; that, in fact, it did cause a -- I did hurt the working relationship.

[ ] I have no insight into that.

SPECIAL AGENT [ ] And if you were just pulling the report, why not just pull the report, review it, if there were issues that had to be changed, change them and then --

[ ] That's what happened.

SPECIAL AGENT [ ] Was there anything changed once the report was reviewed? Or were there any issues

[ ] I don't recall. There were issues and the issues centered around the fact, you know, again getting back to this concern about the elements we were dealing with; what the criteria was that --

SPECIAL AGENT [ ] [Inaudible] and it's a crime?

[ ] Yeah. And essentially --

SPECIAL AGENT [ ] Or in this case, it was a civil matter, so.

[ ] Right. Right. Yeah, that's why I stopped.

SPECIAL AGENT [ ] Excuse me.

[ ] But the same -- you know, the same theory: what's our criteria? And one of the big concerns that we had is that -- I don't. There wasn't a case on this, but there was audit activity on a previous project referred to -- it was called the NOAA In Prime [ph.], where NASA was managing a program for NOAA, and it was a satellite, and essentially the contractor on a Saturday morning crushed the satellite, because they put it on -- they put it on a device that was -- that's called a turnover cart, and the satellite sits on this thing, and it literally turns it over so that the technicians can work on it.

And the contractor on a Saturday called the NASA rep, who said, oh, I'm sleeping in a little bit. I'll be down. Go ahead and start without me. He was supposed to be there to observe the thing.

The report that was written on it was that essentially that the individuals working in the shop were getting ready to turn the thing on, to turn it over, and one of the guys said, hey, there's some holes here. Aren't there supposed to be volts in this thing? And he said, no, no, no. It's supposed to be like that.

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Well, they cranked the thing up, turned it over, and the thing then fell.

You know to casual observers, clearly, you know, clearly something where the contractor could be liable. And we had a lot of research done into that, and what the potential was, and the conclusion was that because of the nature of the contract, that the contractor wasn't liable and that this is often the way that NASA writes contracts where the government takes the responsibility for loss in order to get people to do these things that are pushing the edge of technology.

And so the concern that we had was that we were investing a lot of resources, going down a path on this Genesis, without an understanding of whether there was something different in the basic contract structure for this -- for the Genesis that would override what had previously been concluded on other work that we did.

And so Moose essentially wanted to have some discussion around that and really understand where we were going on it.

So that was the --

SPECIAL AGENT [ ] But hadn't the case been briefed to you several times before that and briefing papers brought forward to him?

[ ] No, not briefing papers. He had some conversations with some people about it.

[ ] Some people?

[ ] The agent, the Special Agent, who was handling the case. He was out there, and after each of those discussions, he was still left with this fundamental question that I raised.

And he was -- he had numerous conversations. I don't recall whether [ ] was still -- [ ] -- was still there or whether [ ] was the acting -- numerous conversations with her, with the expectation that she would take this concern that he raised and ensure that it was addressed as part of the investigation.

And so the -- when this report came to our attention, he concluded that that concern had not been adequately addressed, and he wanted to address that and vet it within our office to -- before the report as given.

[ ] And how did that report come to your attention?

[ ] I think [ ] gave it to us, and essentially said here's a report on the Genesis that we've given to the AUSA.

SPECIAL AGENT [ ] Was there any concern as to the negative effect this would have or could have potentially on the relationship between NASA OIG and the U.S. Attorney's Office?

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[ ] Yes, there was.

SPECIAL AGENT [ ] Any discussion about that?

[ ] Yeah.

SPECIAL AGENT [ ] What was the thought process?

[ ] The thought process was that Mr. Cobb felt that the principle was too important; that we had to have -- that, you know, our word is our credibility.

And that if, you know, if it wasn't a product that the office could stand behind, that in the long run our credibility would be hurt more by having that product out there than by having it pulled back and reviewed.

On June 29, 2006, Robert Watson (Moose) Cobb was interviewed (**Exhibit 182**). COBB was asked about the Genesis case, and his response to the allegation is located on page 229, line 1 through page 231, line 3, and on page 461, line 16 through page 462, line 13.

Q. [ ]

[REDACTED]

[REDACTED]

Do you recall that occasion?

A. I recall an occasion that in some ways -- I think I know what you're talking about.

Q. Okay. So her characterization or her testimony as I have provided it, would that be correct?

A. Well, as I've indicated in other circumstances, related to other circumstances, there were circumstances that were -- where I was carrying out the routine business of the agency, not in any passionate way, where [REDACTED] would get emotional.

So whether it happened exactly the way she's articulating, I know what you're talking about.

I would say that's in the ballpark of what transpired. I think I did. I think there's two or three times I've hit the desk before when I was so frustrated with the performance of people, and their -- what - - I use this in a colloquial sense, insubordinate -- not a legal sense -- insubordinate attitude towards my asking questions about an activity of the office.

And this was one of those occasions where I felt that [REDACTED] -- and I say the table, close proximity. If I want to quibble with what she says here. I don't know if I'm at my desk or a little side table. If it is at my desk, I have to lean pretty far to get close to her to hammer the table.

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I don't know. But fundamentally, when I'm frustrated that a direct order or some articulation of how I think our office should handle a matter is ignored or is otherwise not asserted out in a manner that is suitable to me, I will express my frustration with that and there have been two or three instances in my experience, maybe four, where -- I don't pound the desk a lot because I found professionally it does no service to my hand; but to use language like, that I have done it and I may have done it in that instance.

However, it was combined with a question about another event and I responded to the other event, and so this instance that I believe [REDACTED] is referring to, based on not her articulation of what I said but the part about the referral of the matter to the United States attorney, there was -- there was an issue -- what I was concerned about was there was an issue relating to a particular project that our office was looking into that I had expressed on numerous occasions interest in; and the idea that our agents forwarded to the United States attorney for the Southern District of California a report of investigation without anybody telling me about it and without my having an opportunity to take a look at it concerned me. Because to me, there was some value I might have been able to add in connection with the creation of that product.

But when I reviewed the product I was very disturbed that it was not remotely close to the high quality, notwithstanding the fact we had a very good agent working on it, that it was not up to the high standards I would have in connection with that product.

**Allegation 33** – Inspector General COBB notified NASA Administrator Michael Griffin (Griffin) of a search warrant of Orbital Science Corporation prior to execution of the warrant.

**Investigative Findings:**

On February 22, 2006, [ ] was interviewed to obtain information regarding various allegations received by HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 26**). During the interview [ ] provided the following allegation. [ ] stated COBB wanted to provide advance notification of the Orbital Science Corporation (Orbital) warrants to Griffin. [ ] opined this was because Griffin formerly worked for Orbital.

[ ] stated the day before the Orbital warrants were to be executed, he was told [ ] that COBB wanted to notify Griffin about the warrants prior to their execution. [ ] that the warrants were sealed and it would not be appropriate to do so. [ ] does not know if COBB notified Griffin in advance of the execution of the warrants.

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On February 21, 2006, [ ] was interviewed (**Exhibit 23**). [ ] stated the Orbital case involved private work done by Orbital on behalf of another country, but the services were charged by Orbital to NASA's account. [ ] stated that the search warrant was high profile and involved the simultaneous execution of multiple warrants in Arizona, California and Virginia. [ ] stated it was also sensitive because Griffin previously worked at Orbital. [ ] recalled [ ] forwarded a copy of the warrant to Headquarters, but never received any feedback. [ ] stated to his knowledge, "There was no oversight [on the Orbital case] by COBB."

On June 28, 2006, [ ] was interviewed (**Exhibit 185**). [ ] response to the allegation is located on page 61, line 2 through page 63, line 7 of his interview transcript. His response was, in part:

SPECIAL AGENT [ ] What about off center warrants? Would you typically let O'Keefe or Griffin know that there was going to be anything off center?

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[ ] Generally not. In one case with -- recently with Griffin, we did give him a heads up after an off center warrant was executed, and it was with -- it was with a company that he worked with at one time. It wasn't -- he came from -- most recently the Applied Physics Lab at Johns Hopkins, but he had worked --

SPECIAL AGENT [ ] Orbital?

[ ] Orbital. Yes. Thank you. Orbital. And Mr. Cobb, Moose, Moose gave Griffin a heads up that the search warrant had been issued after it had been issued and at the time that he did it the news trucks were already at Orbital reporting on the execution of that, the search warrant.

[ ] felt from a sensitivity standpoint, it was good to let him know that one of his former employers was the subject of a search warrant.

SPECIAL AGENT [ ] So the media was already on site?

[ ] That's my understanding. Yeah, that's what I was told.

SPECIAL AGENT [ ] Prior to Mr. Cobb letting --

[ ] Right. Prior to -- at the time our agents called, some -- one -- we had -- I don't recall the number -- we had agents that were -- at least two locations where search warrants were executed. One of them was here in Northern Virginia. b6 b7C

SPECIAL AGENT [ ] Mm hmm.

[ ] We had agents at that location. The agent from that location called back somehow through his chain of command, and essentially reported that the warrant has been executed; and that the news media is here filming, essentially trying -- I think unsuccessfully trying to get some information out of the agents on the scene.

SPECIAL AGENT [ ] Any idea of how the media learned of the execution?

[ ] No. None whatsoever.

SPECIAL AGENT [ ] Okay. And Mr. Cobb -- I just want to make sure I'm clear. And Mr. Cobb's advisement of [ ] was after the --

[ ] Yes.

SPECIAL AGENT [ ] -- warrants were executed?

[ ] Yes.

SPECIAL AGENT [ ] All right.

On June 27, 2006, COBB was interviewed (**Exhibit 182**). COBB's response is located on page 87, line 17 through page 89, line 22 of his interview transcript. His response was, in part:

And typically, if we had, for example, a member of senior staff who was under investigation, I would sit down with [ ] and we would sit and talk about what is the best time to communicate to the agency this sensitive information that we have so that it, for example, can take, in the instance of safety, a remedial action to make sure we don't blow up seven astronauts on launch or alternatively, I can give you an example.

After getting an okay from whoever my IT was in questions with the administrator Griffin, our office in conjunction with DCIS was going to serve search warrants on orbital scientists. Griffin used to work there. I think he'd rather hear it from his Inspector General than see it on TV or read about it in the newspaper.

Roughly simultaneous with the execution of the search warrants, by prearrangement with my investigative team, I would communicate to Griffin, hey, here's a heads up. We're going to be serving a search warrant in 15 minutes or five minutes. I don't know the articulation of time. It was close, worked out with my staff that. Would be my modus operandi on sensitive investigative matters whether O'Keefe, center directors, general counsel, anybody else.

I would just go and say, hey, we got an investigation going on such and such. Thought you ought to know. That would not be my -- the manner in which I would deal.



**Allegation 34** – Inspector General COBB, in his email correspondence with former NASA Administrator Sean O’Keefe (O’Keefe), might have inappropriately released law enforcement sensitive information.

**Investigative Findings:**

On January 31, 2006, and April 24, 2006, [REDACTED] was interviewed (**Exhibits 19 & 75, respectively**) regarding [REDACTED] complaint to the Integrity Committee of the President’s Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 1**). [REDACTED] COBB does not conduct business independently or carry out his duties in an impartial manner. [REDACTED] heard that COBB and former NASA Administrator O’Keefe were close.

A review was conducted of e-mails retrieved from the Microsoft Exchange government account of COBB (**Exhibit 24**). In one email, it was determined COBB notified senior NASA management officials of impending search warrant executions and the existence of an undercover operation. The subject email, dated June 16, 2004, was sent from COBB to O’Keefe. COBB’s email, titled “Re: bad parts case,” states in part:

“fyi. Working with FBI and Defense Criminal Investigative Service and the Department of Justice, we have been involved in an undercover operation targeting suppliers of bad parts to NASA among others, including bad parts for Station, Shuttle and NASA aircraft. Search warrants are going to be served on six companies over the next couple of days. The names of the suppliers are not household names, and typically involve subcontractor suppliers. We have been involved in a number of similar investigations and, unfortunately, suppliers often represent that parts they are supplying meet specs when they do not. Sometimes the misrepresentation is made knowingly and intentionally. Serving of warrants is sometimes noticed by the media. Please keep close hold. I have sent this message to [REDACTED] and Pastorek.”

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Special Agent [REDACTED] reported the investigation mentioned in the subject email referred to a joint NASA OIG investigation with the Federal Bureau of Investigation (FBI), on a government contractor, “Max’s Marketplace” (NFI) (**Exhibit 125**).

On May 22, 2006, Special Agent [REDACTED] FBI, Huntsville Resident Agency, Alabama, and [REDACTED] FBI, Huntsville Resident Agency, were interviewed (**Exhibit 125**). [REDACTED] confirmed the subject of the case is Max’s Marketplace and a number of other government contractors, involved in the production of substandard NASA parts. In June 2004, his office, together with NASA OIG, executed six simultaneous federal search warrants throughout Alabama. [REDACTED] advised that approximately one-month prior to the execution of the search warrants, his office held a massive operations briefing at a hotel in Huntsville. Approximately 50 law enforcement officers involved in the executions were present. [REDACTED] stated neither O’Keefe, Paul Pastorek

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(Pastorek), former NASA General Counsel, nor [REDACTED]  
[REDACTED] were invited to, or were present at, the operations briefing.

The search warrants, as per [REDACTED] were obtained in coordination with David Estes, Assistant United States Attorney (AUSA), Northern District of Alabama. Prior to seeking the search warrants, NASA OIG placed one of their agents undercover to order parts from the various contractors.

[REDACTED] stated, "As I recall O'Keefe was the guy in charge of NASA at the time we did the search warrants." [REDACTED] felt that notifying O'Keefe might have been a protocol in the "NASA chain of command." [REDACTED] went on to state that in his estimation, NASA OIG making a notification to O'Keefe would be "no different" than his office notifying the FBI Director's Office in Washington D.C.

[REDACTED] stated he was not familiar enough with the reporting requirements between the two agencies to comment as to whether COBB's actions were inappropriate. However, [REDACTED] was "definitely concerned" with COBB's notification to [REDACTED] in the NASA Public Affairs office. According to [REDACTED] his office is required to direct any press related inquiries to the assigned AUSA.

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On May 30, 2006, O'Keefe was interviewed (**Exhibit 137**). O'Keefe stated typically COBB would not brief him on criminal cases. It would be "very unusual" if COBB were to brief him on criminal matters. O'Keefe recalled one occasion when COBB briefed him on the status of criminal charges against a NASA employee who viewed pornographic material on a government computer. O'Keefe did not recall ever being briefed by COBB on the status of upcoming NASA OIG search warrants or undercover operations.

On May 31, 2006, Pastorek was interviewed (**Exhibit 138**). Pastorek noted there were rare occasions when he received a telephone call from COBB advising him of the arrest of a NASA employee. He believes this was done in an effort to afford NASA the ability to prepare should they receive a query from the news media. Pastorek was not given details of the event; merely that it was going to take place later that day.

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On June 28, 2006, [REDACTED] was interviewed (**Exhibit 185**). [REDACTED] was asked about NASA OIG notifying NASA management in advance of search warrant operations. [REDACTED] testimony is covered on pages 57 through 66 of the interview transcript, and he stated, in part:

SPECIAL AGENT [REDACTED] Okay. His relationship, Mr. Cobb's relationship, with Mr. O'Keefe, did it affect Mr. Cobb's ability to maintain his independence and impartiality as the NASA OIG?

[REDACTED] No. None whatsoever.

SPECIAL AGENT [REDACTED] You never saw any indication of that? Never had any reason to question it?

[REDACTED] No. No.

SPECIAL AGENT [ ] Okay. Did Mr. Cobb brief Mr. O'Keefe on or NASA senior management on NASA OIG, ongoing NASA OIG audits or investigations?

[ ] As I said, if during these meetings we thought there was something that warranted his attention, yes.

SPECIAL AGENT [ ] Okay. How about on the investigation side of the house, what information, if any, would Mr. Cobb ever share with Mr. O'Keefe or anyone else on the NASA senior management?

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[ ] If there were a search warrant executed, once we got word from the -- through the investigative staff that the search warrant had been executed, if it was on NASA property, we would generally give Mr. O'Keefe a heads up and sometimes the affected --

SPECIAL AGENT [ ] Center director or --

[ ] Center director or mission head. Yeah, it's a convoluted organization at NASA. So that was primarily -- generally, in our policy, which I believe is still in writing was that essentially, the SAC would be responsible for notifying the Center director and that's a -- that was a particularly sensitive issue because at the NASA Centers -- I think at all, if not most -- the guards are armed.

And so the -- you know, just from a safety standpoint, we felt that the need -- if we were going to be armed and making arrests that we needed to have some coordination so that they would understand what was happening.

SPECIAL AGENT [ ] Between armed personnel and NASA OIG agents?

[ ] Yes. Yes.

SPECIAL AGENT [ ] And the security officers?

[ ] Yes.

SPECIAL AGENT [ ] These advisements of perhaps Mr. O'Keefe or any of the Center Directors or you referred to another --

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[ ] The mission directors. Essentially, the --

SPECIAL AGENT [ ] Mission directors.

[ ] -- heads of the major groups in headquarters.

SPECIAL AGENT [ ] So the advisements relative to the execution of search warrants this always took place after the warrants had been executed --

[ ] Yes. Yes.

SPECIAL AGENT [ ]: -- in every case? Were you ever aware of a time when these individuals were advised prior to the execution?

[ ] I can't think of any. No, I'm not aware of any. For one thing, they're rare. It's not a -- it's not something we're doing.

SPECIAL AGENT [ ] A daily or weekly occurrence?

[ ] It's not a daily occurrence; right.

SPECIAL AGENT [ ]: You mentioned that the manual -- you believe the manual still states that it's the responsibility of the Special Agent in Charge of the office that's executing the warrant to advise the Center Director --

[ ] Center Director and the --

SPECIAL AGENT [ ]: So was it the SAC that would make the advisement or would it be the --

[ ]: At that level, yeah, generally.

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SPECIAL AGENT [ ]: Okay. So the advisement didn't even -- well, we were talking a few minutes ago about Mr. Cobb advising --

[ ] Generally, Mr. Cobb would advise Mr. O'Keefe or someone else at headquarters, one of the mission directors.

SPECIAL AGENT [ ]: Okay.

[ ]: I'm not.

SPECIAL AGENT [ ]: So he -- did Mr. Cobb -- didn't advise the Center Directors?

[ ] I don't think so, but he could have in some cases.

SPECIAL AGENT [ ]: Any cases that come to mind particularly?

[ ] No. No, not.

SPECIAL AGENT [ ]: Okay. Did any of the OIG agents communicate a concern with that; that they weren't comfortable with it or they felt as if it posed an officer safety issue or even --

[ ] Not to me. No.

SPECIAL AGENT [ ] To anyone else?

[ ] I'm not aware of that. You know our dealings at that time were essentially [ ] and so our dealings would be with [ ] and he never.

SPECIAL AGENT [ ] Okay. Was there any concern on the senior staff ever relative to this policy?

[ ] Not to my knowledge.

SPECIAL AGENT [ ] Okay.

[ ]: If it was, they didn't voice it to me.

SPECIAL AGENT [ ] What about off center warrants? Would you typically let O'Keefe or Griffin know that there was going to be anything off center?

[ ] Generally not.

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On June 27, 2006, Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB was asked about notifying NASA management in advance of search warrant operations. COBB's testimony is covered on pages 85 through 94 of the interview transcript, and he stated, in part:

Q. You've primarily spoken to the sharing of audit information, weaknesses, identified. What about on the other side of the house? Investigative work? Product information?

A. A little different in connection with investigative work. I apply a different approach. Sometimes I think it would be real important to let the agency know that a certain activity is taking place. Most simply how about working with security? We have armed agents. They have to coordinate with security officials of the agency when they're serving a search warrant on campus. A question I might ask because those security officials also are armed.

Q. You are referring to -- are these Code X employees?

A. NASA's structure which is important to understand in connection with understanding the agency is that Code X as with -- you have centers. You have the NASA centers. They're all out there. In terms of colloquially, they are fiefdoms, so each of those centers has its own security. To a certain extent, they're supposed to be responsive to Code X. Whether you are talking about financial management, mention of information technology, any institutional function within the agency, it's difficult. Law. You have a general counsel. Does the general counsel rule with the chief counsel at the Dryden Space Flight Center says, you know, that's a question. You know. The chief financial officer at

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the Goddard Space Flight Center is called the chief financial officer.

That's the title of the person notwithstanding the fact the agency has a chief financial officer at headquarters. That's a management problem. So that's a long answer to your quick question on security. Are these people reporting directly at the centers to [REDACTED]

[REDACTED] No. They report to their center directors.

[REDACTED] he has wanted to get more control over that. The IT people. I can say that institutionally, our recommendations, both in terms of financial management, information technology have generally pushed towards additional centralization, coordination, more efficient, general resistance, within the agency on how things are --

Q. If we could go back to the original question. In terms of what information did you share either with Mr. O'Keefe or with the center directors or any other senior staff members within NASA related to what was going on the investigative side of the House?

A. On that, I was giving security as a coordinating point. I might ask a question, have we coordinated in security in connection with the search warrant that's going to be served at a certain center. That would be something that the staff level.

There might be certain investigations like a safety investigation. We get -- give an example, prior to the launch of STS 114 last summer, we got an allegation there was a piece on the external tank that's a bad piece and this is about a month or three weeks before launch is supposed to take place.

The fact that we're going to have a criminal investigation possibly arising out of this allegation, there's a weighing balance on how to handle it. I would talk with staff on what is our vehicle for communicating what we need -- what limited information we need to communicate to the agency.

And typically, if we had, for example, a member of senior staff who was under investigation, I would sit down with my [REDACTED] my counsel, [REDACTED] and we would sit and talk about what is the best time to communicate to the agency this sensitive information that we have so that it, for example, can take, in the instance of safety, a remedial action to make sure we don't blow up seven astronauts on launch or alternatively, I can give you an example.

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Q. Okay. What about search warrants? You spoke about communicating with the center directors relative to search warrants. How would that be communicated and in what timeframe?

A. Well, typically --

Q. Or arrests? Search warrants or arrests?

A. Typically, those types of things would be coordinated by my staff and would not involve a phone call by me in questions with the issue. How exactly to execute them. I would want -- I would not want our armed agents going into a facility with other armed agents who were not under my employ without giving a notice to, for example, security.

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There are certain protocols that have been established of communicating with security, maybe communicating with chief counsel, or whatever, where we're going to be doing this.

Q. What about the center directors?

A. I typically would not be involved in picking up the phone and telling them that something was about to happen. There might be instances where we sent e-mails to some people, but that would not be a normal thing.

Whatever I would do, again my modus operandi is whether it was [REDACTED] [REDACTED] it would be I'm thinking this person needs to know this certain information for the following reason.

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When would be an appropriate time to communicate that information? And taking the lead from the investigators in terms of obviously you don't want to do anything that in any way, shape, or form can negatively impact an investigation.

And so I'm sensitive to that, and that's why I had a protocol that for myself was in effect. I'm not going to go tell somebody about an investigation unless people in my office are on board with the communications.

Let me tell you. We have a number of very serious and sensitive investigations that have been conducted throughout my tenure but right now, and this protocol and how we communicate with the agency, the agency -- if you go and talk to -- if you conduct an investigation involving a senior agency official and talk to five people, the likelihood, it is going to get back to them.

So how can you control that? You do the best you can. And -- but you do it working with an eyes towards the prize in terms of what we're doing, how we do it, how we communicate the information we need to. I wouldn't go off by my loan some and wing it in terms of what types of things we're looking at.

Q. If I understand you generally, it would be your staff that would make the contacts or communications to either the security personnel on centers or perhaps the center directors that was not generally something you did but were there occasions when that occurred specifically with the center directors when you would communicate directly with them as to either a search warrant or an arrest that was eminent?

A. I'm not coming up with examples to give you of where I made those calls. I cannot say definitively it didn't happen. I would say typically staff would handle those communications.

Q. What staff members?

A. The special agents in charge, or the resident agent in charge would, in effect, have the responsibility for making sure that the people that needed to know -- especially, you can have a lot of

safety issues in connection with a search warrant -- that the people that needed to know about it would know.

Q. Was that protocol within the Inspector General's office, NASA Inspector General's office that one of the people that needed to know was the center director or the center directors?

A. I don't know what the paper says.

Q. What paper? Are you referring to NASA regulations?

A. Yes. What our internal guidance articulates in connection with this.

Q. What was the practice?

A. My guess is the practice was not consistently applied. That in effect it requires a judgment in every case as to what the sensitivities are in terms of carrying out the particulars. So it may -- you know, it may involve a call to security office. Might involve a call to the facility people to get access to a particular portion of the building that would not otherwise be accessible.

But you wouldn't always call the people in a facility. Whether it involved a conversation with the chief counsel, I can tell from your perspective, and what I would generally have communicated about this topic is we need to let the people know. We do not do our work in a vacuum. We need to let the people who need to know about certain activity know.



**Allegation 35** – Inspector General COBB inserted himself into the investigation of an alleged theft of jewelry from the remains of a Columbia Space Shuttle Astronaut.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 6**). On February 24, 2006, [redacted] was interviewed and provided the following information (**Exhibit 33**). [redacted] stated NASA OIG case number "0-JS-04-0283-0, captioned, "Subject Unknown: Theft of Jewelry," involved the alleged theft of a ring from the remains [a left forearm and hand] of NASA Space Transportation System (STS) STS-107, Columbia Space Shuttle (Columbia) Astronaut Laurel Clark. [redacted] speculated COBB believed pursuing the individual who stole the ring from the remains of Astronaut Laurel Clark and recovering the ring would have, in some way, resulted in bad publicity for NASA. In addition, [redacted] opined COBB may have also thought that by allowing the investigation to continue, other family members of the STS-107 Columbia mission might come forward to ask questions and bringing further scrutiny to NASA.

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Laurel Clark was a crewmember of the STS-107 Columbia mission. The Columbia broke up during re-entry over Texas en route to landing at Kennedy Space Center (KSC), Florida, on February 1, 2003. Laurel Clark's remains were recovered shortly after the Columbia accident, and a ring was allegedly present on, and then stolen from, her recovered remains. A joint investigation between the Texas Rangers and NASA OIG sought to determine who stole the ring from Laurel Clark's remains, and to recover the ring.

After the investigation concluded a ring was stolen from Laurel Clark's remains, NASA OIG and the Texas Rangers sought to release a "Crime Stoppers Report," in order to generate further leads which might identify who stole the ring, and lead to the recovery of the ring. [redacted] noted that Laurel Clark's [redacted] wholeheartedly supported the use of the Crime Stoppers Report as an investigative tool.

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[redacted] stated after his telephone conversation with COBB, the focus of the Laurel Clark investigation changed. The focus went from trying to identify who stole Laurel Clark's ring, and recovering the ring, to trying to prove whether a ring was present on the middle finger of Laurel Clark's remains upon recovery. [redacted] communicated the new focus of the investigation to [redacted]

According to [redacted] sometime in August 2004, COBB traveled to the Johnson Space Center (JSC) to

meet with [REDACTED] advised that he was not included in the meeting. [REDACTED] further advised that after the meeting, neither COBB nor any other NASA OIG personnel advised him what was discussed during the meeting with [REDACTED]

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[REDACTED]

[REDACTED] COBB stated the whole NASA Columbia investigation was not going well, NASA wanted it finished, and for the outcome to reveal nothing that would make NASA look bad or would shake the public's trust in NASA.

On May 3, 2006, [REDACTED] was interviewed (Exhibit 94). At the beginning of his interview, [REDACTED] explained the investigation was closed "unsolved." According to [REDACTED] closed the case because NASA was the victim and they withdrew their consent as the victim in the case.

[REDACTED] stated the initial security of the Columbia Astronaut's remains was very poor; it was not what [REDACTED] would have hoped for. [REDACTED] believed that someone at NASA wanted the investigation shut down because if it got out that the ring was stolen, questions would be asked as to the conduct of the whole NASA investigation into the Columbia accident.

[REDACTED] did not know why NASA OIG did not want the Crime Stoppers report issued. [REDACTED] stated he was upset because NASA was not treating a "real American Hero" the way they should have. In addition, [REDACTED] would have wanted Laurel Clark's ring to be found."

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[REDACTED] a Report of Investigation (ROI) dated, "August 19, 2004," captioned, "Theft of Jewelry," and provided it to [REDACTED] provided a synopsis that read, in part, as follows: "The results of both investigations revealed negative findings in identifying evidence that a jewelry ring was present on the remains and to identify any individuals who committed crimes related to the alleged theft," and "Furthermore, Armed Forces Institute of Pathology (AFIP) medical examiners reviewed photographic evidence and concurred with the negative findings."

Page five of the report further states, "On August 16, 2004, [REDACTED] provided a report detailing his efforts to enhance the photographs [REDACTED] of Laurel's remains found on February 1, 2003 in east Texas." [REDACTED] concluded the following: "The hypothesis that the white 'ring' area is

indeed a ring cannot be confirmed nor conclusively disproven. However, color and texture analysis, as well as image interpretation, suggest that the area is most likely gravel. The white 'ring' area looks indistinguishable from the white gravel areas based on color and texture comparisons. In addition, the photographs appear to have sufficient resolution to visually distinguish between a ring and gravel."

On January 3, 2005, [REDACTED] a closing report that was uploaded into the NASA OIG Reporting System (NORS), which included the following:

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"Assistant United States Attorney Brit Featherston (Featherston), USAO, Lufkin TX, was briefed on the substance of the investigation and stated that based on lack of evidence to prove the existence of a ring, and the absence of evidence to identify any subjects, no prosecution will be pursued. Furthermore, Featherston said if evidence were developed to prosecute, such prosecution would be at the State level and not Federal level.

This investigation disclosed no conclusive evidence of the existence of a ring on Laurel's remains, or the identity of any individuals involved in the alleged theft of such a ring. Since no criminal violations could be substantiated, this investigation is closed."



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[REDACTED]

On May 17, 2006, [REDACTED] was interviewed (**Exhibit 116**). Regarding the investigation of the missing ring from the remains of Astronaut Laurel Clark, [REDACTED] stated that the Texas Rangers were conducting the investigation. NASA OIG became involved when the legal office for NASA, Houston, Texas, contacted the NASA OIG office, Houston, Texas. They requested NASA OIG to be involved in the investigation.

[REDACTED] stated the Texas Rangers gave NASA OIG the crime stoppers report as a "courtesy."

[REDACTED]

[REDACTED] advised the Texas Rangers were going to issue the crime stoppers report. This was the next logical step, since they ran out of leads. [REDACTED] advised that this was normal protocol for the Texas Rangers, and "it did not seem to be a big deal." [REDACTED] remembered being told the Texas Rangers contacted [REDACTED] agreed with the issuance of the crime stoppers report.

[REDACTED]

[REDACTED]

On June 27 and 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). His response to questions associated with this matter start on Page 186, line 20 through Page 224, line 4 of the transcript dated June 27, 2006.

**Allegation 36** – Inspector General COBB denied a Freedom of Information Act (FOIA) request regarding a closed investigation in an effort to avoid releasing the information, in violation of FOIA regulations.

**Investigative Findings:**

This allegation was received in a letter written on February 3, 2004, to the Federal Bureau of Investigation (FBI) by [REDACTED] regarding allegations against COBB (**Exhibit 12**).

The allegations, as identified by [REDACTED] in his letter, were that COBB conducted himself in a manner that constituted dereliction of duty. [REDACTED] refers to irregularities pertaining to an investigation conducted by Special Agents at the Kennedy Space Center (KSC) as an example of COBB's dereliction of duty. [REDACTED] (et. al.).” The case involved an employee of NASA contractor Space Gateway Support (SGS). [REDACTED] were accused of stealing materials purchased through Blanket Purchase Agreements between NASA and SGS and allegedly used those materials for an addition to his home. This investigation was closed without [REDACTED]

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[REDACTED] reported that COBB was a former White House Ethics Counsel for President George W. Bush and connections surfaced between the Bush family [REDACTED]. He alleged that COBB caused the investigation to be closed. This closure in the investigation is what caused [REDACTED] to write his letter to the FBI.

[REDACTED] filed a FOIA request with the NASA OIG and the request was denied because the case was allegedly still open. [REDACTED] advised that the investigation was closed as per their NASA OIG Reporting System (NORS) system and not reopened until [REDACTED] FOIA request was made. [REDACTED] alleged that COBB reopened the case to avoid providing the documents requested under the FOIA.

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On April 14, 2006, [REDACTED] was interviewed (**Exhibit 54**). The NASA OIG investigation was initiated on November 10, 2000, as a result of an anonymous hotline complaint alleging that the [REDACTED] were stealing material. NASA OIG conducted various interviews and data analysis that led to the execution of a search warrant on September 21, 2001, at a location in the KSC.

[REDACTED] There were “fraud indicators” pertaining to similar duplicate work being charged. One of the more significant discrepancies found were instances of materials being charged that did not fit with the work performed. One example was where he found that materials were being charged to make signs for a company picnic. The picnic was held in April 2000, yet the materials requisition continued until December 2000, without any explanation.

[redacted]  
 case had been closed [redacted] the case was closed.

On May 23, 2006, [redacted] was interviewed (**Exhibit 127**). With regard to the investigation [redacted] conducted pertaining to NASA contract employees [redacted] [redacted] the case from Special Agent [redacted] came to work for NASA OIG.

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When the investigation was opened, [redacted]  
 [redacted]

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The initial subject of [redacted] investigation was [redacted]. It was alleged that [redacted] put an addition on to his residence and used materials purchased by NASA. [redacted] investigated the case for two years, then closed the case on February 21, 2002, and stated, "To the best of my ability, I could not prove that anything was stolen, and was at a dead end." [redacted] advised the U.S. Attorney's Office (USAO) of the case closing. [redacted] advised the USAO by telephone. As far as [redacted] closed the case in 2002, the investigation was completed.

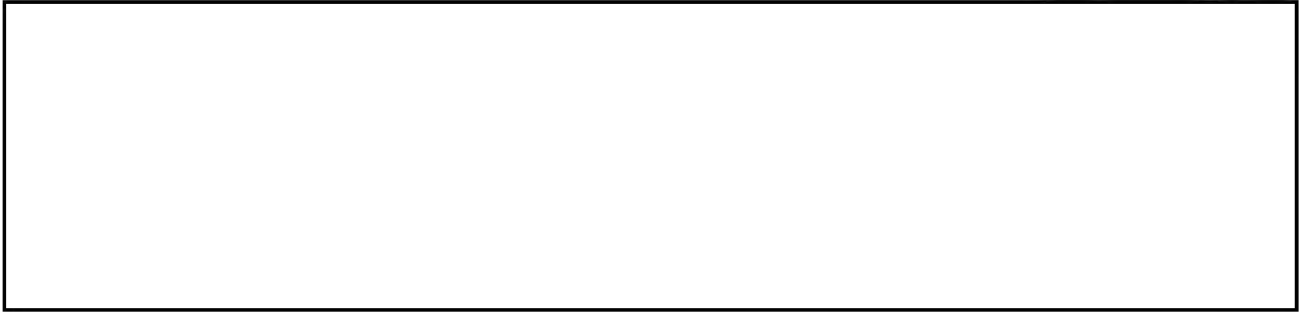
According to [redacted] ordered the [redacted] investigation be re-opened. [redacted] felt the case was re-opened to avoid providing documents for a Freedom of Information Act (FOIA) request, which was submitted. [redacted] stated he did not know who filed the FOIA.

According to [redacted] re-open the [redacted] case because if the case was open, then NASA OIG would not have to provide the documents requested under the FOIA. [redacted] was not aware of any involvement or influence COBB had over the matter. [redacted]

[redacted] stated this because he believed there was no evidence in the case. [redacted] closed the case on February 21, 2002, he did not do any casework on the matter.

On May 10, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 107**). [redacted] stated the case against [redacted] had been opened and closed twice. The first case was opened in 2001, after a source reported the theft to [redacted] was brought in to assist in the investigation. The case against [redacted] seemed promising on the surface, but agents could find no evidence that [redacted] installed government purchased siding on his house. [redacted] noted that COBB was not appointed as until April 2002.

[redacted] further stated the NASA OIG investigation of [redacted] while closed in NORS on February 21, 2002, never truly ended. [redacted] continued to investigate [redacted] along with the other subject of the case, [redacted]



[redacted] It [redacted] assistance. [redacted] was advised [redacted] made a FOIA request for records pertaining to the [redacted] case in March 2003. [redacted] was further advised that in April 2003, [redacted] received a letter from NASA OIG [signed by [redacted]] stating the requested documents could not be released under FOIA because the case was currently open. [redacted] noted as stated above, the investigation of [redacted] was re-opened in NORS on May 21, 2003. [redacted] was not aware of the FOIA request. [redacted] assured HUD OIG staff the case was being actively worked between the time of the first closure [February 21, 2002] and the date of the FOIA request.

On May 4, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 98**). [redacted] indicated the investigation of contractor SGS was initiated [redacted] This case was initially closed in February 2002. [redacted]

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[redacted] advised [redacted] to re-open the case because further work was needed. [redacted] advised that COBB had nothing to do with the request to re-open the case. The USAO was not aware the case had been closed, and was working under the assumption that the case was still open. [redacted] stated the "failure to re-open, it was a slip" by NASA OIG staff and had nothing to do with covering up the case. Also, this was not an attempt to reject [redacted] FOIA request.

On June 16, 2006, [redacted] NASA OIG, provided the Investigative paper file for case "O-KE-01-0063-HL," titled [redacted] (et. al.)" (**Exhibit 160**). A review of the complete paper file disclosed even though [redacted] indicated that [redacted] advised the file be re-opened to avoid providing the documentation under a FOIA request, substantial work was being conducted on the investigation during the period of the FOIA request. The additional work would allow for the FOIA declination. In addition, the investigation found no evidence where COBB requested that this case be re-opened to avoid responding to the FOIA request.

Appendix 7 of this report is a timeline of the opening and closing of the [redacted] case.

**Allegation 37** – Inspector General COBB failed to investigate special agents from the NASA Office of Security and Program Protection (OSPP/Code X), who are allegedly carrying firearms onboard commercial aircraft without legal authority.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency that was forwarded to HUD OIG for investigation (**Exhibit 10**). In his complaint, [redacted] stated special agents of the OSPP, formerly known as Code X, had reportedly been carrying firearms onboard commercial aircraft and conducting criminal investigations without legal authority. Further, [redacted] alleged COBB is aware of these allegations and has done nothing to investigate them due to his hands off approach with regards to Code X.

On March 15, 2006 [redacted] was interviewed (**Exhibit 42**). [redacted] advised that there was an ongoing battle between COBB and Code X. [redacted] stated that he heard that Code X personnel flew armed on commercial aircraft and carried weapons and conducted investigations outside of NASA centers. [redacted]

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[redacted] if he was flying armed. [redacted] that he was going to fly armed but decided not to. [redacted] said that this led him to believe that [redacted] flew armed aboard commercial aircraft in the past. To [redacted] knowledge, Code X employees have no authority to fly armed on commercial aircraft.

On April 19, 2006, [redacted] was interviewed (**Exhibit 63**). [redacted] advised that [redacted] is the [redacted] of Code X operations. [redacted] felt as though COBB should take more proactive steps to ensure Code X is not overstepping its legal bounds and placing unnecessary liability on the agency. Further, [redacted] has heard rumors of Code X uniformed security guards carrying firearms off center property (in plain clothes), marking their vehicles "federal law enforcement" during the Columbia recovery efforts in February 2003 and taking delivery of MP-5 submachine guns.

According to [redacted] Code X personnel derive their authority from the Space Act. [redacted] felt as though Code X security specialists "purported themselves to be something their not" by adopting the title of "Special Agent." Through the use of this synonymous law enforcement title, [redacted] feels there may be some truth to the rumor that Code X special agents have traveled armed onboard commercial aircraft.

Another inherent problem, per [redacted] is that Code X personnel adjudicate security clearances for NASA OIG agents and auditors. [redacted] felt there is an intrinsic problem with the people NASA OIG is supposed to have oversight and review over controlling such a critical employment factor.

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[redacted] stated he had no knowledge of any document, nor had he heard rumor of a "Memorandum of Understanding" (MOU) between the NASA OIG and Code X. [redacted] did recall that COBB sent an

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agency-wide email in 2003 addressing the working relationship between Code X and Code W (NASA OIG). During the interview, [ ] searched his email archive and provided a copy of the original message from COBB, dated February 14, 2003. In the email titled, "continuing saga code x," COBB stated, in part:

"[...] Now the bad news. We are going to get along with code x like it or not. It is a fact of life. [...] Please do not engage with them; even if you are holding four aces, it is a losing bet. The administrator told me last night that the only people not getting along in the debris collection and removal area was Code x and code w. This was distressing to hear, regardless of the source of the problems. [...]"

On April 19, 2006, [ ] was interviewed and provided the following information (**Exhibit 64**). According to [ ] Code X Security Specialists refer to themselves as "special agents." [ ] does not believe that any Code X personnel, to include special agents and security guards at the different NASA Centers, have statutory law enforcement authority. Code X's authority is derived from the Space Act and the Code of Federal Regulations (CFR) 14 – Part 1200 to End; Revised: January 1, 2001. [ ] feels Code X security specialists use the title to represent themselves as law enforcement.

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[ ] stated that he felt that COBB should be looking at Code X operations, particularly their case management system. [ ] stated he heard an office rumor about a MOU in place between NASA OIG (Code W) and Code X, signed by COBB, wherein NASA OIG officially limited or removed its oversight responsibilities of Code X.

At a NASA OIG Managers Conference held in Martinsburg, West Virginia, from September 8, 2003, through September 12, 2003, [ ]

[ ] publicly complained to COBB that Code X personnel were carrying firearms on commercial aircraft and committing other regulatory violations. According to [ ] COBB leaned forward on the desk he was sitting at, looked directly at [ ] and stated, "I don't care."

On May 8, 2006, [ ] was interviewed and provided the following information (**Exhibit 104**). [ ] stated he had several problems with how NASA OIG has dealt with Code X under COBB's leadership. COBB would always acquiesce to [ ] so as to not look bad to O'Keefe. For example, following the space shuttle tragedy in February 2003, Code X began doing criminal investigations without the legal authority to do so. Later that year, [ ] complained to COBB during a NASA OIG manager's conference in West Virginia about the improper Code X activities. During a meeting with several other supervisors present COBB essentially told [ ] "We [NASA OIG] were not going to deal with it." [ ] such actions by COBB demonstrated a lack of independence on his part.

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On June 20, 2006, Counsel to the Inspector General Francis P. LaRocca (LaRocca) was interviewed (**Exhibit 169**). LaRocca stated that, relative to Code X, COBB's approach was to work out the issues with Code X. LaRocca noted some NASA OIG SA's question the training Code X security personnel receive, and their authority to carry firearms off NASA Centers. LaRocca believes the local Osceola County police department specially deputizes Code X security personnel at the KSC. LaRocca is also

aware of rumors that Code X security personnel were carrying their weapons on board commercial airlines.

On June 28, 2006, [REDACTED] was interviewed (**Exhibit 185**). [REDACTED] response to the allegation is on Page 150 through Page 165 of his interview transcript, and states in part:

SPECIAL AGENT [REDACTED] Okay. What can you tell us about NASA OIG's relationship with KODECS? You spoke about KODECS [Code X] earlier. It's the Office of Security for NASA.

[REDACTED] It is a -- I will characterize it as an ongoing struggle to maintain a professional relationship with them. I think that we've made great strides in the last few years, but there is a constant tension between our office and their office about the various lines of authority.

SPECIAL AGENT [REDACTED] Okay. And so that's the source of the tension?

[REDACTED] Well, that's the source. The -- when I arrived at NASA OIG, one of the things I heard early on from a number of different sources was that we did not have a good relationship with them. I've been told by different employees in the office, to include the Counsel, Frank LaRocca, that there was -- actually, I was going to say audit, but it wasn't an audit.

It was an invest -- an inspections activity, where [REDACTED] essentially issued a seven-day letter over access to records, and it had to deal with our looking at the agency's process for processing clearances for special access programs; and that there was a -- there wasn't an effective working relationship and that there were hostilities between certain individuals.

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SPECIAL AGENT [REDACTED] Okay. Before, we flipped the tape, we were talking about KODECS [Code X] and you were explaining that there's a -- not the greatest relationship currently between KODECS [Code X] and the IG's office, nor was it -- and it was that way prior to --

[REDACTED] Right.

SPECIAL AGENT [REDACTED] -- Mr. Cobb as well. What is Mr. Cobb's philosophy about dealing with KODECS [Code X].

[REDACTED] His philosophy is that we have to work with these individuals and that we have to struggle and work hard to have a positive working relationship with them.

And that's been his guidance essentially for the last few years, and so, we tried hard. There are certain individuals where I feel like we've made some inroads and we have a good rapport, and there's others -- I can't remember the name of the gentleman that I was trying to recall. He's since retired, so I think that we've made some inroads there.

And we've had -- from our side, we've had significant turnover in many of the individuals who had the bad relationship, and they've had some turnover as well, and so I think that between those things

we've improved the relationship. But again, speaking quite candidly, we're just -- we're leery of them.

SPECIAL AGENT [ ]: What's the source of the hostility?

[ ] It -- I think primarily that it is still -- it's still some carryover from these battles that they had under [ ] about specific issues. I mentioned the SAP Program and the seven-day letter and there were a number of problems in terms of IT security and -- not problems; a lot of disagreements about IT security, our work on IT security; what, in fact, it meant.

And so there's that, and then there's also a turf issue. We've got issues where the center security people will sometimes investigate crimes that have happened on center. They'll go to U.S. Attorneys Offices.

We've had complaints from U.S. Attorneys Offices that these people are coming in. They think that they're NASA OIG agents.

SPECIAL AGENT [ ] Are they -- the job series for a federal -- a criminal investigator in the Federal Government or a Special Agent is 1811. Are they 1811s?

[ ] Some are. Some are. They have -- they do have 1811s on their staff. I don't know how many.

SPECIAL AGENT [ ] Do they have statutory authority to your knowledge?

[ ] My understanding is that under the Space Act that they have some authority.

SPECIAL AGENT [ ] Does that authority apply such -- statutory authority as it applies to carrying a firearm?

[ ] Yes. The Space Act specifically -- my understanding -- again, I'd have to defer to Frank LaRocca -- but, you know, I've read it at various times, and my understanding is that, yes, under the Space Act, they have specific authority to carry weapons on center.

SPECIAL AGENT [ ] On center only? Not off center?

[ ] Right. That's my understanding. Again, I would defer to our counsel for the specific.

SPECIAL AGENT [ ] Okay. We were curious about -- during the course of the investigation, it was brought to our attention, you know, that there is this hostility, this jurisdictional issue between KODECS [Code X] and the IG's office, and it was alleged that Mr. Cobb has taken a hands-off approach, just, you know, kind of let them do what they want. I don't care. I don't want to deal with it.

[ ] No, quite the contrary.

SPECIAL AGENT [ ] What evidence to the contrary could you provide for us?

[ ] Well, we're constantly involved with them on discussions on a variety of issues, and, you know, trying to develop a working relationship with them.

SPECIAL AGENT [ ] Have you taken any steps where they have -- you've gotten these complaints from the U.S. Attorney's office or offices where these individuals have presented cases to the U.S. Attorney's Office; have investigated cases wherein they don't have any jurisdiction?

[ ] Right.

SPECIAL AGENT [ ] Had NASA OIG taken any --

[ ]: Yeah. Oh, yeah, we've raised those to KODECS [Code X]. You know, we've written them.

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SPECIAL AGENT [ ] But have you taken any action? Have you initiated investigations?

[ ] No.

SPECIAL AGENT [ ] Conducted any audits? When was the last time you did -- conducted an audit of a KODECS [Code X] function?

[ ] Well, they have -- they do have some responsibility for IT security, and so we've done -- you know, we've done a number of IT security audits and [inaudible] audits.

SPECIAL AGENT [ ] Do you know when the last time an audit was done?

[ ] Well, the last one would have been -- I mean we've got them going -- ongoing right now. The FISMA [ph.] work essentially we do is basically ongoing work.

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Not a specific audit of KODECS [Code X].

SPECIAL AGENT [ ] Yeah, that.

[ ] Yeah. To my knowledge, we've had no recommendation. You know, I mentioned earlier the planning process, and we've had no recommendations to conduct any audits of KODECS [Code X] from the audit staff or from the investigative staff for that matter.

SPECIAL AGENT [ ] Any complaints in terms of -- for investigatory actions?

[ ] No. No recommendations that they've, you know -- to undertake an investigation.

SPECIAL AGENT [ ] And they haven't been scheduled on any audit plans that the agency has put together?

[ ] No. I mean quite honestly in my opinion, it -- I mean we would have to have some indication of some pretty serious problem in order to prioritize an audit of them.

SPECIAL AGENT [ ] -- how about -- to your knowledge, has it been brought to NASA OIG's attention that some of these individuals, the security officers or security -- I'm not sure exactly what their titles are, but these individuals who carry firearms have the authority to do so on NASA centers under the Space Act, as you told us.

Has it come to NASA OIG's attention that there have been allegations that some of these individuals have been carrying their firearms off center and boarding commercial aircraft and flying armed?

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[ ] Not to my knowledge; no. I mean it -- quite honestly the aircraft part is -- it leaves me cold. I have no recollection of that.

SPECIAL AGENT [ ] You never heard any of the NASA Special Agents raise that concern?

[ ] No. No.

SPECIAL AGENT [ ] To you? How about has Mr. Cobb ever noted that any NASA agents, OIG agents, have raised this concern or have actually seen these KODECS [Code X] security officers boarding commercial airlines armed?

[ ] Not to my knowledge; no.

SPECIAL AGENT [ ] Any discussion with Mr. Cobb as to whether or not it should be investigated?

[ ] No.

SPECIAL AGENT [ ] So no? Any discussion --

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[ ] Yeah, and, again, I mean we're into an area where, you know, without our counsel, I mean I'm -- you know, I don't have the law in front of me. I have to go back -- you know -- you know, where their authority comes from for the Special Agents, and I think I'm getting confused between Special Agents and guards, and you know I'm really into an area where --

SPECIAL AGENT [ ] Okay. But to your knowledge --

[ ] To my knowledge, no one has suggested --

SPECIAL AGENT [ ] -- this has not been raised as a concern?

[ ] -- an audit or no one has suggested an investigation of that area.

SPECIAL AGENT [ ] Okay. And Mr. Cobb is not aware of these allegations to your knowledge?

[ ] To my knowledge, no, he's not aware of them.

SPECIAL AGENT [ ] Okay. Well, we've talked to some of the witnesses who said, in fact, they have raised this as a concern, and specifically -- and I know -- we know that you can't speak for Mr. Cobb, and we're not asking you to --

[ ] Right.

SPECIAL AGENT [ ] -- but [ ] we know that there is much that the two of you share --

[ ] Right.

SPECIAL AGENT [ ] -- what goes on within NASA OIG. And so these witnesses have told us that, in fact, they've brought this to the attention of Mr. Cobb personally, in person, and that his comment is I don't care.

[ ] I can't comment on that.

SPECIAL AGENT [ ] Okay. You've never heard him say that? You never had a discussion about this particular issue with the security officers --

[ ] No.

SPECIAL AGENT [ ] -- carrying aboard commercial aircraft?

[ ] No.

SPECIAL AGENT [ ] Okay. Does he appear to you to have an attitude of I don't care what KODECS [Code X] does. I just don't want to deal with it?

[ ] No. Quite to the contrary.

On July 20, 2006, [ ] was interviewed and provided the following information (**Exhibit 194**). OSPP, formerly known as Code X, employs individuals in the position of Security Specialist. The position is classified within the job series of GS-080. The Security Specialists are assigned to NASA Centers around the country, are armed, and have authority to carry their firearms on NASA Centers only.

There are instances wherein Security Specialists are deputized by a local police department within the locale of their NASA Center. In these instances, the Security Specialists are not authorized to carry their firearms off of NASA Centers, or make arrests off of NASA Centers, unless they are accompanied by a local police officer, or Federal law enforcement officer. [ ] advised that, to his knowledge, it is generally the Security Specialists at NASA's KSC, Johnson Space Center, Texas, and NASA's Jet Propulsion Laboratory, California, who have been deputized by the local police departments.

[ ] advised that Security Specialists are not authorized to carry their firearms onboard commercial aircraft, unless they are on official NASA business. [ ] noted Security Specialists derive their authority from the National Aeronautics and Space Act of 1958.

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[ ] stated that the fact Security Specialists have authority to carry firearms has been a "bone of contention" with NASA OIG Special Agents. Some NASA OIG Special Agents have voiced the opinion NASA Security Specialist should not have the authority to carry firearms. Some of the NASA OIG Special Agents have also had an issue with the fact the Security Specialist call themselves Special Agents. [ ] pointed out there is "nothing in the law" which states the Security Specialist cannot call themselves Special Agents. [ ] added, "Moose could care less what they call themselves."

**Allegation 38** – [ ] had a child pornography case on a Senior Executive Service employee in NASA Headquarters and [ ] received pressure not to work the case from NASA OIG Headquarters.

**Investigative Findings:**

[ ] was interviewed to obtain information regarding the letter he sent to Senator Bill Nelson [Florida], forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 4**). During the interview on March 15, 2006, (**Exhibit 42**), [ ] provided the following allegation. [ ] had a child pornography case on a Senior Executive Service employee out of NASA Headquarters and [ ] received pressure not to work the case. [ ] stated the employee was ultimately prosecuted and is currently incarcerated.

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On June 26, 2006, [ ] was telephonically interviewed (**Exhibit 180**). [ ] investigation, Case No. C-HS-02-0313-O. [ ] was convicted on June 19, 2003, in U.S. District Court for the Eastern Judicial District of Virginia, for possessing and viewing child pornography on his government assigned computer. [ ] was later sentenced to 120 months (10 years) in federal prison. [ ] "never received any pressure" from NASA OIG Headquarters staff, or from COBB, not to investigate the [ ] case. [ ] received all the necessary support in the case from NASA OIG management.



***Allegation 39*** – [redacted] was caught with pornographic material on his government assigned computer, and his immediate supervisor, Inspector General COBB, took no action against him.

***Investigative Findings:***

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (Exhibit 10). [redacted] was caught with pornographic material on his government assigned computer and that his immediate supervisor, COBB, took no action against him.

On March 20, 2006, former [redacted] [redacted] was interviewed (Exhibit 45). [redacted] stated COBB hired [redacted] an individual in his mid [redacted] who was brought in under a Schedule "C" appointment. [redacted] advised that COBB has created a case review committee wherein every proposed NASA OIG case has to be reviewed by the committee before it can be initiated, and [redacted] sits on this committee.

[redacted] stated that [redacted] was investigated by NASA OIG for downloading pornography on his NASA OIG computer. Adult pornography was found on [redacted] computer, which was located on [redacted] desk directly outside of COBB's office. NASA security reported it to NASA OIG. COBB instructed special agents within NASA OIG's Computer Crimes Division (CCD) to investigate the case. The investigation determined the allegations made against [redacted] were founded. [redacted] stated that when he was at NASA OIG during the conduct of the [redacted] investigation, COBB [redacted] [redacted] on the case.

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On April 19, 2006 [redacted] was interviewed (Exhibit 63). According to [redacted] was contacted by a NASA Security Officer on November 14, 2003, who reported "content monitors" had detected files of questionable content connected to [redacted] assigned NASA computer. [redacted] stated the content monitors were most likely "skin-tone filters," designed to detect pornographic images. On November 14, 2003, [redacted] obtained a forensic image of the computer hard drive from [redacted] assigned NASA computer. The following day, [redacted] conducted a forensic analysis, which revealed the specific file types, dates, and times that [redacted] viewed illicit pornographic content.

According to [redacted] perform the abovementioned forensic analysis of [redacted] internet activity. Specifically, [redacted] told [redacted] that he was not to conduct any interviews in the [redacted] case, to include a subject interview of [redacted] [redacted] stated [redacted] told him Headquarters would handle the case.

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[redacted] stated on May 3, 2004, [redacted]  
[redacted]  
[redacted]

[redacted] opened/closed the [redacted] case in NORS that same day, May 3, 2004.

[redacted] stated none of the materials [redacted] viewed were of a criminal nature [e.g., child pornography]. However, [redacted] pointed out that [redacted] was in violation of “NASA Procedural Requirement (NPR) 2810.1 – Chapter 4: Information Technology Security Procedures and Guidance, Section 4.8.4.1.” Therefore, since [redacted] violated the above-cited NPR, [redacted] stated he was also in violation of “U.S. Code Title 18, Part I, Chapter 37 § 799. Violation of regulations of the National Aeronautics and Space Administration,” which makes willful violations of any NPR a misdemeanor offense. [redacted] advised that based on past practice and experience with the U.S. Attorney’s Office in Washington, D.C., his office [CCD] no longer presents “799” violations for prosecutorial consideration.

[redacted] went on to state that based on his experience with similar cases in CCD, [redacted] misuse of NASA computer systems would not be considered egregious. That is, [redacted] felt that since [redacted] had only “viewed” pornographic materials on a handful of occasions and did not “download” the images to his hard drive, the violations would not be comparable to the typical offender who downloads, saves, and forwards illicit material over an extended period of time. [redacted] noted that in other cases where illicit pornography is viewed on NASA systems, the subject is interviewed and will usually lie to CCD investigators about the misuse, further increasing the penalties. To [redacted] knowledge, no one from NASA OIG has ever officially interviewed [redacted] as part of the investigation.

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On April 19, 2006, [redacted] was interviewed (**Exhibit 64**). [redacted] involvement in the [redacted] case was limited. [redacted] received the majority of his instructions directly from [redacted]

[redacted] reported NASA OIG had never truly dealt with internal cases prior to the [redacted] case. In 2003, the subject of “Internal Affairs (IA)” investigations was raised at a managers conference, and there was some discussion that the field Special Agents in Charge should conduct all IA investigations in their respective regions. A written directive or policy on the subject was never released. [redacted] characterized the [redacted] case as a learning experience from a management perspective. In light of the sensitive nature of the subject case, sometime during the last two-weeks of November 2003, [redacted] with instructions not to put [redacted] name on the subject line in the NORS database. Either [redacted] designated the case documents in NORS as “grand jury” material. [redacted] explained that designating the files as grand jury material protected [redacted] privacy rights.

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On May 22, 2006, [redacted] was interviewed (**Exhibit 124**). According to [redacted] when the abovementioned investigation began in November 2003, he was in the process of [redacted] NASA OIG. [redacted] stated that COBB’s instructions [redacted] case the “amount of privacy you would afford any employee in an administrative action.” [redacted] further stated [redacted] was brought in by COBB to craft a disciplinary letter for [redacted] actions in this matter.

On May 26, 2006, [redacted] was interviewed (**Exhibit 134**). [redacted] advised that she was aware of a NASA OIG investigation into allegations that [redacted] viewed pornographic materials on a government computer system. [redacted] stated that the

investigation took place approximately two to three years ago. [ ] placed a letter of reprimand into [ ] official personnel file (OPF). [ ] removed the letter after one year. [ ] placed the letter into [ ] OPF as soon as COBB counseled [ ] on the matter. [ ] believed that COBB drafted [ ] letter of reprimand. [ ] advised that the letter of reprimand may have been removed in November 2004, but she could not recall specifically. [ ] stated that [ ] was not suspended from his employment due to the results of the investigation. [ ] added that within NASA OIG, letters of reprimand remain in an employee's OPF for either one or two years. [ ] stated the penalty which [ ] received was on the low end of, but still within, NASA OIG's table of penalties, which she said ranged from reprimand to removal.

On June 6, 2006, the below-listed documents were received from [ ] (Exhibit 144).

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A copy of a memorandum from [ ] to COBB titled "Personnel Action Considerations," dated November 17, 2003. [ ] provided this document to COBB in relation to the alleged misuse of a government computer by [ ]

A copy of an "Official Reprimand" letter to [ ] from COBB relating to [ ] access of unauthorized websites dated November 2003.

On June 28, 2006, [ ] was interviewed. Refer to [ ] transcript, pages 103 through 139 (Exhibit 185).

[ ] discussed the NASA OIG investigation of [ ] at length. During the interview, DIG [ ] reported [ ] received the above-described Official Reprimand for his actions. As further disciplinary action, [ ] stated [ ] was denied a career ladder promotion the following year and was not considered for an annual performance bonus.

On June 29, 2006, COBB was interviewed. In the interview, COBB made a number of statements regarding the NASA OIG investigation of [ ] pages 427 through 432 (Exhibit 182).

Q. We are aware from information and documents obtained during the course of our investigation that [ ] downloaded pornographic material to his NASA OIG government computer and in some instances he did this during work hours.

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What can you tell me about the case?

A. My recollection is this matter was brought to my attention. I think my staff, [ ] or somebody had been contacted by monitoring folks at NASA. First concern was gee, is there child pornography in connection with this. Let the investigative process take its course in connection with this. My recollection is that the conclusion of that was that no, there were no issues concerning child pornography. At that point it was in effect referred to management, i.e., [ ] and myself for action.

And we took action in connection with it.

Q. Do you recall when the investigation was open? What time frame?

A. I don't know when [ ] started working with us, but it would have been before he went to Iraq for a year.

Q. In reviewing the NORS system, we found that the activity took place November of 2003 and an investigation was not open in the NORS system until May 2004. Do you know why that would have -

A. I have no -- well, I can -- there was, I believe, one complexity associated with the recording of it. That is that the NORS system unless you had information designated as grand jury information did not have a means of keeping an investigation confidential; and so I think that that was a problem in connection with NORS.

I don't know whether they had -- so other than that, no. And other than the general concern about having it non-confidentially on the NORS system, I don't know what the disposition, what file, what information was kept about it.

I know in connection with this or other cases that we had that should remain confidential in terms of handling, that I thought that they might have put it in a grand jury box, in effect, for NORS, and I don't know. The dates on this thing, I don't know.

Q. Okay. It is also our understanding from reviewing the NORS on that May date when it was opened in '04, it was also opened on that date and closed on that date. Do you know why that would have occurred?

A. No. I think -- I mean, my speculation is this is a case management function. I don't know.

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Q. Did you give any expert instructions not to input anything into NORS when the activity was discovered?

A. I don't believe so. I think that again this sensitivity of having something generally accessible by everyone in the office would have been an issue; but -- and if there was no way of dealing with that confidentiality issue, I wouldn't -- I could possibly have said don't put it on a system that generally is accessible by every person in the office of investigations.

Q. It's also our understanding, to the best of our knowledge, that -- first of all, do you know who the case agent was that was investigating?

A. Well, it would have been under [ ] I'm not sure who it was.

Q. It is also our understanding that there was no official interview by a special agent of [ ] [ ] Do you know why that didn't occur?

A. No, I don't.

Q. Did you give any special instruction not to have -- that he not be interviewed?

A. I don't believe so.

Q. Did you give any special instruction to treat this case in any specific manner at all? That's my first question?

A. No. I mean -- again, we're talking about something that happened a long time ago. My recollection is hey, if we have a criminal case involving anybody, let's get to the bottom of that, whether or not we have a criminal issue. If we have an administrative case, that there's no child pornography involved in connection with this, let's treat it as an administrative case; as we frequently do refer to management: Hey, pornography was found on someone's computer. You have a management issue.

Q. Who decided specifically the personnel action that would be taken against

A. Well, I'd say I was probably the ultimate decision-maker. Whether it was my idea on what the sanction would be or whether it was  or somebody else, I don't know.

Q. And it is my understanding during the time that there was no -- for lack of a better word -- table of penalties that your agency may have had that you could go to and say this was that activity, this what is we do; is that correct?

A. I think that's right.

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Q. Okay.

A. I'm not sure of that.

Q. Okay.

A. There have been tables of penalties at various points that I've seen, but there were issues. I remember Frank LaRocca raising issues -- I think we all raised issues with table of penalties issues before with the agency. I can't remember.

There may be tables of penalties. Whether they apply in a case like this or not, I -- .

Q. Ultimately what was the personnel action taken against

A. My recollection was that he was given a written reprimand, that -- about the activity and that that reprimand would be removed from his personnel file after a year.

Q. Was that it?

A. I think that that was it. Maybe some indication in the letter what the consequences of any repeat -- unacceptable. As a practical matter, I certainly communicated to  that -- you know -- this

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type of activity was intolerable.

**Allegation 40** – A NASA OIG Public Affairs officer in Washington, D.C., was caught viewing adult pornography on his government computer during duty hours and Inspector General COBB refused to open an investigation on this man.

**Investigative Findings:**

On May 7, 2006, [ ] was interviewed (**Exhibit 37**) regarding a complaint he sent to Senator Bill Nelson [Florida], which was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 2**). During the interview, [ ] provided the following allegation. [ ] stated approximately two and a half years ago, he heard about a NASA OIG Public Affairs officer in Washington, D.C., who was caught viewing adult pornography on his government computer during duty hours. [ ] alleged COBB refused to open an investigation on this man.

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On June 28, 2006, [ ] was telephonically contacted and advised he could not recall the individual's name, but stated he was known as the "bag boy," since he was always carrying COBB's bags (**Exhibit 187**). [ ] could not recall any additional information.

On June 28, 2006, [ ] was telephonically contacted (**Exhibit 188**). [ ] could not recall any Computer Crimes Division investigations involving a "NASA OIG Public Affairs officer." [ ] advised whoever provided the information to HUD OIG regarding such a case was likely confused and may have been thinking of the pornographic material investigation of [ ] [ ] NASA OIG Headquarters, for which [ ] was the [ ] noted within NASA OIG he has heard [ ] referred to as "COBB's lackey."

**Allegation 41** –NASA OIG claimed statistics on a NASA employee case that, when given closer scrutiny, did not have a NASA nexus.

**Investigative Findings:**

[redacted] submitted a complaint letter to U.S. Senator Bill Nelson's office [Florida]. In turn, the Integrity Committee of the President's Council on Integrity and Efficiency, referred a copy of [redacted] complaint to HUD OIG for further investigation (**Exhibit 2**).

[redacted] stated NASA OIG often claimed statistics that, when given closer scrutiny, did not have a NASA nexus. [redacted] cited a NASA OIG investigation originating at the Marshall Space Flight Center (MSFC), Alabama, wherein local police allegedly arrested a NASA employee for relieving himself [urinating or defecating] in downtown Huntsville, Alabama. [redacted] claimed the arrest of this employee had nothing to do with fraud, waste and abuse against NASA, but that NASA OIG claimed the arrest statistic.

On June 21, 2006 [redacted] was telephonically interviewed (**Exhibit 174**). [redacted] stated he was familiar with the incident and provided the following information. [redacted] advised the incident took place sometime in September 2004. [redacted] recalled the case was assigned to Special Agent [redacted] who had only been on the job a few months at the time of the incident. During the telephone conversation, [redacted] queried the NASA OIG Reporting System (NORS) for case documents relating to the investigation. After reviewing the appropriate NORS files [Case No: O-MA-04-0687-01], [redacted] advised the subject of the case was a NASA contractor named [redacted] Boeing Corporation. According to [redacted] and an agent with the Provost Marshal's Office, Redstone Arsenal, arrested [redacted] on the MSFC [misdemeanor warrant] and transported [redacted] to a local Huntsville, Alabama police station for processing.

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Based on his review of the above listed NORS documents, [redacted] felt NASA OIG had a clear nexus to the arrest. [redacted] stated NASA OIG was asked by the Provost Marshal's Office to provide assistance in the arrest of the subject. Further, [redacted] reported the arrest occurred on MSFC property and the subject was a NASA contractor.

[redacted] stated he was unable to determine if NASA OIG claimed an arrest statistic for [redacted] arrest. [redacted] advised he was not able to access the necessary NORS screen to make such a determination.

On June 28, 2006, [redacted] was telephonically interviewed (**Exhibit 189**). [redacted] [redacted] the incident and provided the following information. The subject of the investigation was confirmed as NASA contractor [redacted]. In September 2004, a misdemeanor arrest warrant was issued for [redacted] for "public lewdness," after a police officer observed him urinating outside in Huntsville, Alabama. [redacted] at the request of an agent with the Provost Marshal's Office, Redstone Arsenal, Alabama, detained [redacted] on the MSFC and transported him to the front gate where he was released to Huntsville police for processing. In [redacted] opinion, there was a strong NASA nexus in the case. [redacted] stated his [redacted] did not claim an arrest statistic for [redacted] in NORS. Instead, [redacted] claimed an "administrative" statistic because

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NASA OIG alerted [ ] supervisor of [ ] arrest.

[ ] emailed the following NORS documents to HUD OIG:

- Email, dated June 28, 2006, with no subject listed, containing one NORS screenshot titled, "Criminal/Prosecution Data," pertaining to NASA OIG case O-MA-04-0687-O. All pertinent fields are blank, which [ ] advised indicates no official action was taken.
- Email, dated June 28, 2006, with no subject listed, containing one Windows screenshot titled, "Report of Investigations," and a NORS screenshot titled, "Administrative Actions," for NASA OIG case O-MA-04-0687-O. Pertinent fields reflect the matter was referred to NASA management.

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[ ] reported while [ ] would have been justified in capturing the arrest statistic, he chose to only pursue the administrative angle by referring the matter to NASA management.

**Allegation 42** – NASA OIG claimed statistics on the Florida Electrical Contractor case that, when given closer scrutiny, did not have a NASA nexus.

**Investigative Findings:**

[redacted] submitted a complaint letter to U.S. Senator Bill Nelson's [Florida] office. In turn, the Integrity Committee of the President's Council on Integrity and Efficiency referred a copy of [redacted] letter to HUD OIG for further investigation (**Exhibit 2**). [redacted] stated NASA OIG often claimed statistics that when given closer scrutiny, did not have a NASA nexus. [redacted] cited a bid rigging case involving a Florida electrical contractor, originally investigated by the U.S. Air Force (USAF). According to [redacted] NASA OIG investigators at the Marshall Space Flight Center (MSFC), Alabama, became involved and inappropriately claimed criminal statistics for working the investigation. [redacted] further alleged COBB was aware of this investigation and spoke to [redacted] regarding the lack of a NASA nexus (NFI).

On July 12, 2006, [redacted] was telephonically interviewed (**Exhibit 192**). When COBB became the IG at NASA in April 2002, he refocused the agency and emphasized the importance of "showing a NASA nexus" in all investigations. [redacted] a NASA OIG investigation involving a Florida electrical contractor, Woodson & Associates Inc. [redacted] worked jointly with the Air Force, Office of Special Investigations. [redacted] advised the [redacted] case had a strong NASA nexus in that the USAF and NASA awarded the subject contracts and subcontracts. The investigation determined [redacted] engaged in a conspiracy to eliminate competition by rigging bids on construction contracts for the Evolved Expendable Launch Vehicle (EELV) Program.

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[redacted] advised the [redacted] Woodson, [redacted] plead guilty in September 2005 to charges of bid rigging and conspiracy in U.S. District Court for the Middle District of Florida.

In September 2003, [redacted] spoke to COBB about the [redacted] investigation at the MSFC during COBB's national case review trip. COBB never gave [redacted] any negative feedback on the case, or questioned NASA OIG's nexus to the case.

**Allegation 43** – Inspector General COBB improperly shared information pertaining to criminal cases with Mike Wholley, NASA General Counsel.

**Investigative Findings:**

On January 31, 2006, and April 24, 2006, [REDACTED] [REDACTED] was interviewed (**Exhibits 19 & 75, respectively**) regarding her complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 1**). During the interview, [REDACTED] provided the following allegation. [REDACTED] stated she was certain that COBB and Michael C. Wholley (Wholley), the current NASA General Counsel, [REDACTED] emailed back and forth about NASA OIG cases. [REDACTED] advised, "He has an improper relationship with Wholley and Wholley is his source." [REDACTED] alleged that COBB improperly disclosed NASA OIG investigative information to Wholley. [REDACTED] stated COBB would go to lunch with Wholley. COBB [REDACTED] Wholley about a particular criminal investigation.

[REDACTED] reported that there was an investigation of [REDACTED] a member of the Senior Executive Service at NASA, for misusing travel funds. There was a conflict of interest because [REDACTED] [REDACTED] Wholley reportedly wanted her fired and COBB reportedly began to "mismanage" the investigation. [REDACTED] stated there were two NASA OIG investigations into [REDACTED] travel for the [REDACTED] and NASA. During the second investigation it was apparent that NASA OIG was being directed by NASA management to find enough evidence to fire her. COBB stopped the case agent in the hall to ask him why the case was not being prosecuted. It was a common feeling in the office that NASA OIG was doing Wholley's job by investigating [REDACTED] [REDACTED]

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On May 10, 2006, a confidential source identified as [REDACTED] was interviewed (**Exhibit 107**). [REDACTED] is suspicious that COBB [REDACTED] could offer no specific knowledge or evidence to substantiate this statement. [REDACTED] [REDACTED]

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A review of COBB's emails disclosed no improper emails between COBB and Wholley.

On June 27, 2006, COBB was interviewed. COBB made the following statements about Wholley (**Exhibit 182**).

We tried to establish a biweekly meeting attended by [REDACTED] [REDACTED] Mike Wally [Wholley], the general counsel, another person I spent a considerable amount of time with on a great number of issues...

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*Allegation 44 –*

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*Investigative findings:*

HUD OIG received a complaint through the Integrity Committee of the President's Council on Integrity and Efficiency from a confidential source, referred to as [REDACTED] (Exhibit 3). [REDACTED]

[REDACTED] In his/her complaint to the PCIE, [REDACTED] in

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

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On April 12, 2006, [ ] was interviewed (Exhibit 53). [ ] for a complete investigation of [ ] case without success. [ ] thought [ ] case merited more work because NASA OIG auditors believed [ ] had valid safety concerns. NASA OIG Auditors stated [ ] there were solutions to the safety issues pointed out by [ ] which did not necessarily use the method [ ] was proposing, but the safety issues raised by [ ] were still valid. [ ]

[ ] the report of investigation concerning his allegations of retaliation [ ] stated Special Agent [ ] wrote this report.

[ ] claimed someone in the JSC NASA OIG office made a decision to “water down” the report so as not to “enrage” COBB. [ ] had problems with the way the report was written [ ]

[ ] could not say whether COBB ever reviewed or revised the report of [ ] investigation, but she was sure he knew about the investigation.

[ ] the final report of [ ] investigation into the NASA OIG Reporting System (NORS). [ ] reviewed the report in NORS at a later date and noticed [ ] had changed the author name to [ ] instead of [ ] to make it appear that [ ] wrote the report.

[redacted] proposed closing the investigation into [redacted] retaliation allegations. [redacted] said the fact that neither the NASA Employees Union (Union) or the OSC would help [redacted] implied the allegations were unfounded, and NASA OIG had no standing to help [redacted] either. [redacted] concurred. [redacted] did not recall a discussion occurring about the fact that representatives of both the Union and OSC had offered written opinions that [redacted] had been a victim of NASA management retaliation.

[redacted] for the month of February 2005, and the report was written during that time. [redacted] stated she was aware the report was being written. [redacted] advised that the information obtained from the interviews [redacted] conducted relative to [redacted] case were not accurately reflected in the investigation at all.

[redacted] responded she did not know who made the decision to “water down” the [redacted] investigation report or if a specific person actually made such a decision, or if it was just a general consensus between [redacted]. The report was written in a way that did not address the elements of proving whether retaliation occurred. It was not written in the NASA OIG prescribed format for an employee retaliation investigation. In effect, the report allowed NASA OIG to close the investigation without defining NASA OIG’s position on whether retaliation occurred. [redacted] believes this lack of definition in the report is why COBB did not become involved in the case. [redacted]

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On June 14, 2006, [redacted] was interviewed (**Exhibit 151**). [redacted] stated the investigation regarding [redacted] retaliation/safety complaint was voluminous. [redacted] could not recall details of the investigation. [redacted] also conducted investigations.

[redacted] worked with NASA OIG’s Office of General Counsel to determine if [redacted] had a “Whistleblower” retaliation case. [redacted] on occasion, would assist in preparing draft outlines and/or draft Reports of Investigation (ROI). [redacted] believed [redacted] drafted the ROI regarding [redacted] allegations. The ROI was approved by [redacted] and was sent “all the way up the chain.” [redacted] was the lead on this matter. [redacted] This was common practice at NASA OIG, [redacted] assisted with writing the documents.

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[redacted] was asked, “Was the report watered down?” [redacted] and she did not think it was “watered down.” [redacted] did not characterize the ROI as watered down, in order to not draw COBB’s attention to the matter. [redacted] based on the facts of the investigation, the guidance of her supervisors, and NASA OIG legal counsel.

[redacted] was unaware if COBB was involved in this investigation because she felt she was too far removed from that level of management. [redacted] may have known because of the level of management they were at. [redacted] said she never heard the statement, ‘If you don’t want to enrage, don’t engage.’

On June 19, 2006, [ ] was interviewed (**Exhibit 162**). [ ] advised that [ ] filed many FOIA (Freedom of Information Act) requests that he had to deal with. He thinks NASA OIG Auditors questioned [ ] about an audit and [ ] raised some issues. [ ] a meeting with Office of Investigation (OI) and Office of Audit (OA) to determine which issues would be handled by OI and OA and which issues did not need to be looked at. He thinks after looking at [ ] issues he was not protected under the Whistleblower Protection Act. He said [ ] is one of those people that he has received numerous complaints from. [ ] stated that [ ] will throw 50 different complaints from every angle, and then 18 more would spring out of those.

On June 26, 2006, [ ] was re-interviewed (**Exhibit 179**). According to [ ] submitted his complaints of retaliation against him by NASA management to the OSC. [ ] stated the OSC Investigator that may have dealt with [ ] case was [ ] advised OSC determined [ ] may have a Whistleblower case; however, he initially elected to handle his complaints through NASA's grievance process, therefore, the OSC no longer had jurisdiction.

[ ] said [ ] spoke with [ ] and told him if the OSC did not take the case, NASA OIG would then re-evaluate his case. [ ] stated [ ] might have believed [ ] promised [ ] NASA OIG would pursue his Whistleblower case in the event OSC denied it. [ ] advised if the NASA IG believed this was a special case, he could have exercised his discretion and pursued [ ] Whistleblower case. [ ] saw no compelling reason to pursue the case because [ ] did not fall under anything that would make him protected as a Whistleblower, and [ ] concurred with OSC's assessment. [ ] said the ultimate decision not to pursue [ ] Whistleblower case came from NASA OIG Headquarters and the decision was probably made by COBB; [ ] Counsel to the IG Frank LaRocca (LaRocca); and [ ] said LaRocca communicated NASA OIG's decision relative to [ ] Whistleblower case to him.

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[ ] said there was substance to [ ] complaints about the Space Shuttle orbital boom sensor, but added that [ ] was "his own worst enemy." [ ] explained that instead of letting NASA OIG staff investigate his allegations, [ ] spoke to anyone that would listen, including the NASA Administrator, the Center Director of JSC and the media. [ ] also advised during the time of their review, NASA OIG opened up a criminal investigation, with [ ] being the subject, because it was alleged that [ ] substituted a piece of equipment on the Space Shuttle.

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[ ] stated NASA OIG opened an investigation into [ ] allegations of retaliation, and a separate audit into his allegations concerning the orbital boom sensor. [ ] advised NASA did a significant amount of work to correct what [ ] alleged, before NASA OIG's report on the matter was completed. [ ] could not recall if NASA OIG ultimately issued a report on the matter.

[ ] stated [ ] was always trying to bring up other issues and [ ] all he was looking into was the technical merits of the orbital boom sensor and to advise [ ] about the other issues.



[ ] advised any work NASA OIG conducted on allegations raised by [ ] about the orbital boom sensor would probably have been documented in NASA OIG systems OACIS (Office of Audit Central Information System) or NIS (Nationwide Information System). [ ] stated NASA OIG worked on the [ ] allegations for approximately nine months.

On June 8, 2006, [ ] was interviewed (**Exhibit 145**). [ ] stated [ ] had safety/technical concerns regarding the orbital boom sensor meeting the requirements to take measurements. [ ] said [ ] thought NASA was going "down the wrong path" and there was better equipment available. [ ] opined that JSC staff were engaged in a process that was normal for a development cycle. When developing new technology it is not crystal clear in which direction to go, however, much research is conducted, and the process is deliberate. [ ] stated [ ] had valid concerns, however, it was [ ] opinion NASA was moving forward with their engineering development, and he had a hard time finding fault with the NASA engineers and the way they were proceeding with the development of the technology. [ ] felt that the overall process of a development cycle was always easier to argue in hindsight. [ ] stated ultimately, the system flew on the last launch and did a pretty good job. The equipment NASA is employing today is better than yesterday.

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On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB addressed the allegation, and his response is located on Page 443, line 8 through Page 444, line 20 of his interview transcript. COBB stated, in part:

Q. Do you recall whether the NASA Office of Inspector General investigated some claims by [ ] safety concerns regarding the space shuttle imaging?

A. Yes.

Q. Was there a report ever written or distributed?

A. I can't remember what was the end product of our consideration of the issue, but it wouldn't surprise me if there was.

[ ] We asked that because we've not been able to locate one. So any insight that you have into that would be helpful.

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THE WITNESS: I don't know.

BY [ ]

Q. Do you recall who the case agent was?

A. I think it was [ ] We had some activities -- we had some activities as part of our return to flight issues that got into space imaging issues; and we may have had an audit product that reflected that; and that the [ ] complaints got into issues that were related to our audit activity. I think it might have been [ ] again an engineering individual, and [ ] that worked on that, along with maybe some others. My recollection isn't clear on it.

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When -- we had allegations with regard to whether or not NASA was doing the right thing in connection with space imaging equipment, it was close enough in proximity subject matter wise to give it to the same people engaged that activity. Whether it was subsumed into the audit activity, office of audit activity or -- on space imaging, I'm not sure.

**Allegation 45** – Inspector General COBB inserted himself into an investigation pertaining to a contract employee who alleged retaliation after raising safety concerns.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 15**). In that complaint, [redacted] alleges that COBB failed to investigate allegations of retaliation after he brought space shuttle safety concerns to management, that NASA OIG re-opened an investigation after the "first report of findings" was complete and awaiting the signature of COBB, and that [redacted] protected status of disclosure was revoked and employment actions were taken while he was protected. The complainant alleged that COBB lacked independence by changing the report to reflect that the complainant was not retaliated against to avoid making NASA look bad.

On March 7, 2006, [redacted] was interviewed (**Exhibit 37**). [redacted] received a 60-day letter with a performance improvement plan to improve in February 2004, but USA fired [redacted] in March 2004. [redacted] was terminated for failure to perform his assigned duties. [redacted] assumed the administrative investigation from Headquarters

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[redacted] was "complaining to everyone." [redacted] advised that [redacted] also brought up complaints about safety issues. [redacted] advised that the safety concerns were not an issue because they were never implemented [redacted] that this was true.

[redacted]

[redacted]

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[redacted] investigation of the [redacted] case did not substantiate any findings of retaliation, violations of safety issues or afford [redacted] whistleblower protection status.

[REDACTED]

On May 9, 2006, [REDACTED] was interviewed (Exhibit 106). [REDACTED] indicated that he became involved in the [REDACTED] investigation back in August of 2004. [REDACTED]

[REDACTED] that there were problems with the case. [REDACTED]  
According to [REDACTED] did most of the case -work and did his own report.

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[REDACTED] concluded that there was no retaliation. According to [REDACTED] the problem with [REDACTED] report was that he applied the Whistle Blower Act, (WBA) which was for Government Employees. [REDACTED] should have applied the Federal Acquisition Streamlining Act (FASA). [REDACTED] stated that LaRocca told him that [REDACTED] used the wrong statute. [REDACTED] finished the case and used the proper statute. [REDACTED] statement was not taken under oath. [REDACTED] advised that [REDACTED]

According to [REDACTED]

[REDACTED]  
report had the same conclusion as [REDACTED] concluded that there was no retaliation to [REDACTED]. In addition, [REDACTED] indicated that under FASA, [REDACTED] was required to report his issues to a Government Agency and he never did. He only reported it to his employer and that was not enough.

[REDACTED]  
COBB found out about the case when he (COBB) received an email on his blackberry from former Administrator Sean O'Keefe (O'Keefe) [REDACTED] O'Keefe emailed COBB concerning the [REDACTED] case. According to [REDACTED] O'Keefe received an email from [REDACTED] asking O'Keefe to intercede with the case. [REDACTED] was upset that the final report was not issued.

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[REDACTED]  
[REDACTED] was very upset [REDACTED] because the case was not finished and COBB was now involved. [REDACTED] stated that he believed that [REDACTED] had hidden all the problems associated with the [REDACTED] case from COBB. In addition, [REDACTED] stated that COBB and LaRocca were trying to help [REDACTED] and keep an open mind about his issues. Since safety concerns were involved, [REDACTED] stated that COBB wanted to ensure that he did not have a case and that he was not truly retaliated against. [REDACTED] stated that COBB, [REDACTED] or any other NASA OIG employee never [REDACTED] All along, [REDACTED] felt that [REDACTED] was

not retaliated against.

At some point in June 2005, the case was [redacted] given to [redacted] to write the report. [redacted] He stated that [redacted] did use better language, but the conclusion was the same.

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[redacted] write the report that concluded that there was no retaliation.

[redacted] the Report of Investigation for case number, "S-MA-03-0015-O (S-03-089)," the [redacted] Report." [redacted] that in each case [redacted] concluded that there was no retaliation on the part of USA and that [redacted] was not protected under any Whistleblower Act.

On June 27 and 29, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). His response to questions associated with this area start on Page 318, line 17 and ends on Page 342, line 19 of the transcript dated June 29, 2006.

**Allegation 46** – Inspector General COBB improperly interfered with the investigation of alleged retaliation by NASA management against [REDACTED]

**Investigative Findings:**

HUD OIG received complaints through the Integrity Committee of the President's Council on Integrity and Efficiency from [REDACTED]

[REDACTED] (Exhibits 13 & 14, respectively). In their complaints to the PCIE, IC, [REDACTED] principally alleged: COBB interfered with NASA OIG's investigation into [REDACTED] complaints that he had been retaliated against by LaRC senior managers after he reported safety issues that existed at LaRC; NASA OIG [REDACTED] uncovered evidence that NASA LaRC senior managers had unlawfully intercepted [REDACTED] e-mail; and, COBB punitively transferred [REDACTED] who had been assigned to investigate [REDACTED] allegations, after their Report of Investigation (ROI) was submitted. [REDACTED] complaint contained similar allegations and noted he believed the ROI [REDACTED] submitted substantiated the allegations [REDACTED] made. [REDACTED] were interviewed by HUD OIG (Exhibits 20 & 32, respectively). [REDACTED]

In addition to the above complaints, [REDACTED] forwarded a letter of complaint to U.S. Senator Bill Nelson (Nelson) [Florida], which was provided to HUD OIG by the PCIE, IC (Exhibit 11). [REDACTED] complaint [REDACTED] alleged: [REDACTED] was illegally intercepting [REDACTED] e-mails; [REDACTED] COBB did not want to embarrass NASA LaRC management, and the [REDACTED] case was closed; NASA OIGs preliminary findings relative to [REDACTED] allegations, which were reviewed by NASA OIG legal counsel, supported NASA LaRC senior management had retaliated against [REDACTED] [REDACTED] were removed from the [REDACTED] investigation without explanation. Thereafter, the case was transferred to a NASA OIG [REDACTED] who had no experience conducting administrative investigations. [REDACTED] investigation determined NASA LaRC senior management did not retaliate against [REDACTED]

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**COBB Allegedly Interfered with the Investigation**

On February 22, 2006, [REDACTED] was interviewed (Exhibit 30) and provided the following information. On April 22, 2004, a meeting was held at the NASA OIG office, Johnson Space Center (JSC), regarding their findings in the [REDACTED] case and the draft ROI which reflected [REDACTED] had been retaliated against by LaRC senior management. In attendance at the meeting was [REDACTED]

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[REDACTED] Everyone at the meeting was in agreement with the conclusion of the draft ROI; [REDACTED] had been retaliated against. No one except for [REDACTED] showed any displeasure with the investigation findings. In fact, [REDACTED] commented it appeared to be a good case on retaliation. Subsequent to the meeting, [REDACTED] wrote an email to [REDACTED] advising of this investigative conclusion.

[redacted] also reported that she heard COBB; [redacted] had a meeting regarding the investigation. At the meeting [redacted] opined [redacted] was retaliated against. [redacted] COBB curse at [redacted] during the meeting because he was not happy with her opinion of the [redacted] case, and she left the meeting crying. Further, [redacted] stated [redacted] changed her legal opinion after the meeting. [redacted] provided a copy of [redacted] final legal opinion in the case. In the opinion [redacted] stated, "I do not believe [redacted] has a sufficiently robust whistle blowing case for us to recommend that the center [LaRC] take remedial action to address the alleged reprisal."

On April 28, 2004, [redacted] [redacted] [whom expressed concerns about safety issues at LaRC, and alleged they were also retaliated against by LaRC senior management for doing so, similar to the [redacted] case] about how to handle their cases. [redacted]

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[redacted] stated NASA OIG never investigated [redacted] complaints. She stated she knew this because COBB wrote a letter to [redacted] stating this, [redacted] advised she believes [redacted] had valid complaints based on the information [redacted] obtained during the course of the [redacted] investigation.

On March 9, 2006, [redacted] was interviewed (Exhibit 39). [redacted] stated he thought it was a little drastic that LaRC senior management placed [redacted] on administrative leave. [redacted] was re-interviewed by Special Agent [redacted]. It is [redacted] understanding that upon [redacted] re-interview, he "changed his story."

On March 20, 2006, [redacted] was interviewed (Exhibit 45). [redacted] advised COBB was particularly interested in the [redacted] case. The case received local press coverage, and there was interest on the case from Capitol Hill. There were meeting held weekly or bi-weekly regarding the investigation.

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Initially, [redacted] were assigned to the [redacted] investigation. [redacted] noted they believed everything [redacted] said, and kept writing their personal opinions in the reports they prepared. Neither had any investigative experience, and there was "lots of passion" in the case, and not a lot of supervision [redacted]

[redacted] investigated the retaliation allegations, [redacted] looked into safety issues connected with the case, and [redacted] was tasked with the legal review of the case.

[redacted] opined there were possible Whistleblower Protection Act concerns for NASA relative to [redacted] allegations against LaRC senior management. [redacted] recalled during a meeting COBB berated [redacted] relative to her opinion, and told her the opinion did not count. He then stated, "I'm the IG, that's what counts." [redacted] use of the phrase, "appeared like reprisal," in her opinion that, "pissed COBB off." [redacted] noted he believed COBB's conduct "was just embarrassing and uncalled for..." [redacted] stated the final opinion in the [redacted] ROI was "watered down."

On March 8, 2006, [redacted] was interviewed (Exhibit 38). [redacted] COBB was not being fair regarding the [redacted] investigation. [redacted] was upset about the investigation because she believed COBB was taking the side of NASA management, instead of looking at [redacted] complaint objectively. [redacted] noted it was his opinion that [redacted] did not do a good job of investigating the case when it was assigned to them.

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Around February 2004, [redacted] [redacted] that NASA OIG was receiving political pressure regarding the [redacted] case, and COBB and senior NASA OIG management needed a briefing on it. At that time, memoranda of interview, relative to interviews conducted by [redacted] in December 2003, had not been finalized. [redacted]

[redacted] subsequently reviewed the document, and found it was one-sided and leaned toward supporting [redacted] position that he had been retaliated against for reporting the safety issues. Further, the document did not reflect all of the information gathered in the case. Specifically, interviews and statements regarding LaRC management's side of the story were omitted. [redacted] acknowledged [redacted] had not been trained to prepare the type of objective reports NASA OIG criminal investigators were expected to prepare.

[redacted] noted he believes NASA OIG's investigation of [redacted] complaint supported there were safety issues at LaRC. [redacted] stated based on NASA OIG's investigation of the [redacted] case, the investigation reflected there was no clear right or wrong on the part of LaRC senior management. [redacted] stated in his own mind, he could not tie the safety issues [redacted] raised, to LaRC management removing [redacted] from his position in retaliation for reporting the safety issues.

Subsequently, [redacted] were asked to prepare a draft ROI. [redacted] recalled there was an issue because they failed to prepare the ROI in a timely manner. Further, after they submitted their draft ROI, [redacted]

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On March 10, 2006, [redacted] was interviewed (Exhibit 41). [redacted] group was asked to look into the safety issues regarding the LaRC's plans to return aircraft to flight. This was not an audit but a review. In May 2004, [redacted]

[redacted] COBB, which also included the Office Investigations. COBB said the investigation conducted by [redacted]



[ ] was "screwed up," because they concluded [ ] were retaliated against. COBB did not agree with the conclusion, and thought it was more of an insubordination issue.

[ ] was at one meeting wherein [ ] provided a legal opinion wherein she opined [ ] had been retaliated against, and COBB questioned [ ] opinion. [ ] noted during the meeting, "[IG] COBB was beside himself, cussing and swearing, saying F-this and F-that." He also said, "No lawyer in their right mind would have come up with this legal opinion." [ ] advised after this meeting, [ ] changed her legal opinion.

On May 3, 2006, [ ] was interviewed (Exhibit 95). [ ] advised initially the case was assigned to [ ]

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[ ] advised at some point a meeting took place wherein [ ] opinion in the [ ] case was discussed. During the meeting COBB said he did not believe a lawyer would say, "...if he had known that [ ] had sent such an email or had recanted his decision to name [ ] he would have not advised management to place [ ] on administrative leave..." as reflected in [ ] April 7, 2004, interview. COBB seemed to be angry, and made the above statement in an angry tone. It was during this meeting COBB directed [ ] be re-interviewed. [ ] was stunned when COBB made the statement, and she "didn't agree" with him. She did not speak up and voice her opinion, nor did anyone else, because COBB "said it in a way that it didn't brook any additional discussion or opinion." [ ] noted COBB has a way of saying things in such a way that communicates, "I [COBB] believe it, so it is true."

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[ ] was interviewed by NASA OIG in the [ ] case; [ ] said, "...it would have been a mitigating factor that [ ] backed off of his intentions and that it would have been a good thing to know. However, [ ] action was still misconduct. A 'time out' period was appropriate given the heated circumstances. Even if [ ] did have the emailed information, the administrative leave was not unreasonable...."

[redacted] were removed from the [redacted] investigation, and she believes they were removed because there was a question as to whether they were biased in [redacted] favor. [redacted] noted [redacted] were thrown into a complex investigation without much guidance.

[redacted] there was also discussion as to whether [redacted] made a "protected disclosure;" one of the eligibility requirements under the Whistleblower Protection Act. [redacted] thought the answer to this question was not black and white. COBB [redacted] [redacted] did not believe [redacted] made a protected disclosure, and therefore, believed he was not eligible for protection under the Act. To the best of her recollection, she believes COBB [redacted] and [redacted] did not believe [redacted] made a protected disclosure for four reasons:

1. [redacted] did not use the words "safety issues" when he first reported his concerns;
2. [redacted] did not report his concerns to the NASA Interagency Aircraft Operations Panel when they conducted their review of flight operations at LaRC;
3. [redacted] and [redacted] had been embroiled in a disagreement and power struggle prior to [redacted] reporting his concerns; and,
4. [redacted] did not report his concerns outside of his "competency" [office].

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[redacted] did not necessarily agree that [redacted] had not reported his concerns outside of his competency. [redacted] advised in her opinion, COBB, [redacted] saw the [redacted] case as one in which [redacted] had been embroiled in a disagreement and power struggle, and [redacted] "pulled out" the fact he raised safety issues, which he viewed as a protected disclosure, in order to "cover himself." Further, they were of the opinion [redacted] did not suffer any adverse action relative to his employment with NASA. She was not in agreement with them on this point either. [redacted] advised she found determining whether [redacted] made a protected disclosure "a very close call." In the end, she concluded [redacted] did not have a very strong, or "robust" Whistleblower Protection Act case.

[redacted] does not recall any meeting with COBB regarding the [redacted] case wherein he "cursed [redacted] out" because he did not like [redacted] legal opinion in the case.

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[redacted] reiterated the [redacted] case was a "tough case," and she could see both [redacted] side, and LaRC senior management's side of the issue. She noted she herself never "came to a satisfactory" position on whether [redacted] made a protected disclosure.

On May 5, 2006, [redacted] was interviewed (**Exhibit 100**). [redacted] advised when NASA placed [redacted] on paid administrative leave, it was not a "punitive" action. In the intervening period while [redacted] was on

administrative leave, a final determination was to be made as to whether disciplinary action was going to be taken against him. Before the determination was made, [ ] retained counsel in the matter. [ ] noted ultimately an agreement was reached between the parties which allowed [ ] to return to LaRC in another position while he looked for a position within NASA outside of LaRC, and no disciplinary action was taken. In return, [ ] agreed not to file any action or grievance in the matter.

[ ] relative to the complaint [ ] filed alleging he had been retaliated by LaRC senior management after he reported safety violations. [ ]

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[ ] did not feel they were incompetent, but rather they were “unsophisticated” in their work.

[ ] advised what bothered him the most about the investigators was it appeared they had reached a decision [ ] had been retaliated against. It did not appear they were conducting an objective investigation, and they had already formed an opinion in the case. They did not seem to want to hear what [ ]

On May 5, 2006, NASA LaRC [ ] was interviewed (**Exhibit 101**). [ ] advised during a NASA OIG investigation concerning [ ] complaints from LaRC employees [ ] regarding [ ] [ ] seeming bias. [ ] attention relative to [ ]

[ ] stated COBB did not call her and attempt to get her to influence [ ] decision or statements regarding the [ ] case. [ ] stated COBB did not attempt to influence her in anyway regarding the complaints made by [ ], and added he did not seem to be biased. [ ] noted after NASA OIG completed their investigation, and based on her interaction with him, it was clear to her COBB felt [ ] were a nuisance because they kept filing complaints. [ ] recalled hearing COBB make the statement, “Somebody thinks I’m biased—that’s ridiculous.” [ ] advised she and COBB never had a conversation regarding the facts in the [ ] matter.

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On May 5, 2006, [ ] was interviewed (**Exhibit 102**). [ ] advised he became involved in the [ ] investigation around May or June 2004. [ ]

[ ] personal

opinion was the [redacted] lacked training.

[redacted] reviewed the case to provide a legal opinion regarding [redacted] whistleblower claim and she felt it was a close call as to whether [redacted] was classified as a whistleblower.

Based on his review of the pertinent case documents, it was his opinion there were no prohibited personnel actions taken against [redacted] was insubordinate. [redacted] the case were not influenced in any way by anyone, [redacted] told him to let the facts speak for themselves.

In January 2005, COBB received an email from [redacted] assigned [redacted] to work the investigation. [redacted] He received no influence from NASA OIG management in relation to the [redacted] case, and was never asked to report anything that was not true.

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On June 19, 2006, [redacted] was interviewed (**Exhibit 162**). [redacted] stated [redacted] was expelled from NASA's LaRC for issues of insubordination on the flight deck. [redacted] were assigned to look at the "Whistleblower" issues in the [redacted] case. Official NASA OIG legal opinions come from LaRocca, however, [redacted] handled the details of the [redacted] case. [redacted] advised in his capacity [redacted] during the course of their investigations or audits when they require [redacted] advised he had a conversation with [redacted] wherein he agreed [redacted] communication with his LaRC supervisors was not insubordination. [redacted] that [redacted] had been a victim of retaliation by NASA management, but he could have given his opinion.

During his June 20, 2006, interview (**Exhibit 169**), LaRocca stated [redacted] considered themselves "whistleblowers." LaRocca asked [redacted] to review the NASA OIG investigation involving [redacted] and analyze whether they were entitled to whistleblower status. [redacted] prepared a memorandum detailing her analysis of [redacted] whistleblower status. COBB called the memorandum a "CYA memo," and was not happy with it. LaRocca noted COBB was interested in safety concerns, and he asked [redacted] to pull evidence to support her position that the Whistleblower Protection Act may have protected [redacted] LaRocca considered [redacted] work to be professional; however, in the [redacted] matter COBB did not think the facts supported [redacted] conclusion. LaRocca disagreed with COBB. LaRocca noted the issue in COBB's mind appeared to be whether [redacted] was playing the "safety card," when in fact he had been insubordinate.

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LaRocca advised he does not believe COBB intimidated [redacted] in an attempt to get her to change her legal opinion in the [redacted] case. He does recall COBB was angry with him, and upset LaRocca had [redacted] provided her legal opinion; neither he nor COBB rewrote the opinion. [redacted] did prepare a number of drafts after she provided her initial opinion, but the changes she made from draft-to-draft came about as she received new and/or additional information about the case.

LaRocca opined COBB believed [ ] had been insubordinate, and there were no safety issues at LaRC. COBB believed the matter was a dispute over supervisory authority within the LaRC office [ ] was assigned to, and not about [ ] being retaliated against after he raised safety issues. LaRocca believes COBB's opinion was colored because he thought [ ] was insubordinate. LaRocca stated COBB received information from O'Keefe and Pastorek concerning [ ]

#### Alleged Illegal Intercept of [ ] E-mail

On February 23, 2006, [ ] was interviewed (Exhibit 32). [ ] statement that, "... a criminal OIG investigator was prevented by the IG from submitting Title 18 (Criminal violations) uncovered in the investigation to the Department of Justice. . . ." [ ] computers were seized by NASA OIG. [ ] said the [ ] had been "illegally" monitoring [ ] e-mails. [ ] had disagreements with concerning the LaRC safety issues. [ ] advised to his knowledge [ ] were not punished for "illegally" monitoring [ ] e-mails.

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During his interview (Exhibit 38), [ ] recalled there were a number of issues that came up during the investigation of [ ] complaint, one of which was that [ ] NASA e-mail account was re-routed to [ ] after LaRC took action to remove [ ] from the position. The purpose of redirecting the e-mails was so [ ] could access the account and handle any NASA business that needed to be addressed by the [ ]. However, while [ ] e-mail account was redirected, some of the e-mails received in the account mailbox were personal. [ ] spoke LaRocca about the situation, and whether a possible wiretapping violation had occurred when LaRC re-routed [ ] NASA e-mail account and accessed the contents of that account.

During her February 22, 2006, interview (Exhibit 30), [ ] advised during the [ ] investigation NASA OIG became aware that [ ] kept [ ] NASA e-mail coming to him for several months for monitoring. During this time, [ ] was corresponding with his attorney via e-mail. The matter was referred to the United States Attorney's Office (USAO), Norfolk, Virginia, for prosecution based on possible violations of wire tapping statutes. The USAO declined prosecution, and NASA OIG, Office of Investigations, referred the case back to NASA OIG's Administrative Investigations Unit for possible administrative action relative to the email intercepts.

#### [ ] were Allegedly Punitively Transferred

In her letter to Senator Nelson's office, [ ] concluded by stating: "In May, 2004, [ ] The case was transferred to a criminal investigator who had no experience investigating retaliation allegations. Against OIG policy, that criminal investigator re-interviewed [ ] the subject of the case without another investigator (witness) present. That criminal investigator determined that Langley management did not retaliate against [ ]

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[REDACTED]

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[REDACTED] addressed the allegation during his interview conducted on June 28, 2006. His response is located at p. 159; l- 9 of his interview transcript (**Exhibit 185**).

COBB addressed the allegation during his interview conducted on June 29, 2006. His response is located at p. 467; l-11 (**Exhibit 182**).

**Allegation 47** – Inspector General COBB maintained a close, personal relationship with former NASA Administrator Sean O’Keefe and former NASA General Counsel Paul Pastorek.

**Investigative findings:**

This allegation was predicated upon information obtained in eight interviews of current and former employees of the NASA OIG. These interviews were conducted to obtain information regarding various allegations HUD OIG received from the Integrity Committee of the President’s Council on Integrity and Efficiency. In those interviews, the employees alleged that COBB maintained a personal relationship with former NASA Administrator, Sean O’Keefe (O’Keefe) and former NASA General Counsel, Paul Pastorek (Pastorek). In addition, it has been alleged that this relationship has interfered with COBB’s independence and may not have allowed him to remain impartial regarding audit and investigative findings.

During the investigation, emails sent between O’Keefe and COBB during their tenure at NASA and NASA OIG respectively were reviewed. In addition, emails sent between COBB and Pastorek were also reviewed.

The following emails depict the type of relationship maintained (**Exhibit 118**).

**1. Email thread**

**“From:**sean o"keefe  
**To:**rcobb;  
**CC:**  
**Subject:**my apologies  
**Date:**Tuesday, June 15, 2004 1:53:04 PM  
**Attachments:**

Moose -- my apologies for standing you up for lunch today -- I completely lost track of the time and have been overrun with demands today. I owe ya one -- many thanks for your patience and understanding. regards, Sean”

**2. Email thread**

**“From:**SOKeefe@hq.nasa.gov  
**To:**Robert Cobb;  
**CC:**  
**Subject:**Apologies  
**Date:**Tuesday, August 03, 2004 12:22:24 PM  
**Attachments:**

Moose - on further reflection, I owe you an apology for today's behavior. For lots of reasons I was in a foul mood - you didn't deserve that. Points made, but could have been more effectively conveyed -

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thanks for not returning it in kind –”

### 3. Email thread

**From:**SOKeefe@hq.nasa.gov  
**To:**Robert Cobb;  
**CC:**  
**Subject:**Departure  
**Date:**Monday, December 13, 2004 8:18:45 AM  
**Attachments:**

Moose - Before the rumor mill runs too hot and heavy, I wanted to advise ypu [sic] of a personal development. LSU has advised that they are considering me to be Chancellor. The LSU Board plans to vote on the recommendation on Thurs. If they offer, as I expect they will, I intend to accept. With tuition bills for the first of three looming, it is only a question of months on how much longer I could keep up this public service addiction. Life on the bayou will improve the situation immeasurably. Since I've pressed you to service, I owed you a heads up. I'll make it through Feb in the hopes of a successor confirmed by then. Best regards, Sean”

### 4. Email thread

**From:**Robert Cobb  
**To:**sean.okeefe@nasa.gov;  
**CC:**  
**Subject:**  
 talk  
**Date:**  
 Friday, November 14, 2003 1:29:07 PM  
**Attachments:**

Yesterday I received a call from WH personnel about being on the list of candidates for the position of IG of the Coalition Provisional Authority. They said if I were the guy, I would be detailed for 6 months, then back to NASA. I told them I would get back to them this afternoon to tell them if I am interested. I would like to discuss this with you; I will call you at 2:15 when, I understand, you may be between meetings.”

### 5. Email thread.

**From:**Cobb, Robert W. (HQ-WAH10)  
**To:**"paul.pastorek@arlaw.com";  
**CC:**  
**Subject:**Re: In DC today and tomorrow. Are you around? Will be at IMAX tonight too.  
**Date:**Wednesday, September 21, 2005 10:40:18 AM  
**Attachments:**

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I am out of the building until after lunch. Family to be at imax tonight. Plan to give you a hug! -----

-----  
Sent from my BlackBerry Wireless Handheld”

“-----Original Message-----

From: Paul G. Pastorek <paul.pastorek@arlaw.com>

To: Robert "Moose" Cobb <rcobb@hq.nasa.gov>

Sent: Wed Sep 21 09:02:52 2005

Subject: In DC today and tomorrow. Are you around? Will be at IMAX tonight too.”

## 6. Email thread

**From:** Paul Pastorek

**To:** RCobb@hq.nasa.gov;

**CC:**

**Subject:**

Jazzfest

**Date:**

Thursday, April 15, 2004 9:31:31 AM

**Attachments:**

Status of activities.

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I have a friend who is working on reservations at Commanders Palace for either Thursday or Friday night.

I am also working on reservations at a place called Cuvee's which is terrific. I ate there for the first time last week. A relatively new place. If you want I can get you in at Emeril's instead. Let me know.

We can go with you or you can go off by yourself. You call the shot.

I also recommend you go to <http://www.nojazzfest.com/> and determine whether you want to go to evening activities on Thursday or Friday. In addition to the official Jazzfest acts, there is music all over town at any time of the evening so you could still do dinner and skip the big acts and see the others. If you want to do a big act, we can skip dinner.

☐ would like to take your wife around town on Thursday while you are at the Conference. She can take her antique shopping, site seeing around town, or even to a Plantation home (or homes) outside the city.

Let me know what you think. Also let me know you flight arrival and departure times and that of your wife, if different, so I can make other recommendations.”

On March 10, 2006, [REDACTED] was interviewed (**Exhibit 41**). [REDACTED] was not aware of any relationship COBB may have with contractors or Center Directors. [REDACTED] only knew of the relationship COBB had with O'Keefe and Pastorek, the three of whom he stated were known as the "holy trinity."

On April 20, 2006, [REDACTED] interviewed (**Exhibit 67**). [REDACTED] provided the following information. [REDACTED] has been employed by NASA OIG since [REDACTED]. [REDACTED] advised that she did not know COBB prior to her employment with NASA OIG. [REDACTED] initially described COBB's relationship with O'Keefe as being on neutral terms. [REDACTED] further stated that COBB could go see O'Keefe any given time and stated that the two were "friendly." COBB would go to O'Keefe's office and COBB [REDACTED] believed that if COBB needed to, he could call O'Keefe at his home or after working hours. [REDACTED] stated that since O'Keefe terminated his employment with NASA, he has called COBB at his office twice. Neither of those telephone calls has been recent. [REDACTED] believed that COBB and O'Keefe knew each other prior to COBB becoming NASA IG. [REDACTED] stated that she would not classify the relationship between COBB and O'Keefe as a normal IG/Administrator relationship.

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[REDACTED]

[REDACTED] avoided eating in the NASA Headquarters cafeteria, or socializing with any NASA employee, to avoid any appearance of partiality. [REDACTED] stated that she never had lunch with Former Administrators Goldin or O'Keefe alone. The only time she would socialize with Goldin was when there was a farewell party for an employee, or a lunch recognizing someone. [REDACTED] indicated that during her tenure at NASA OIG, she only remembers e-mailing Goldin twice about official business. She does not remember e-mailing O'Keefe.

On May 24, 2006, [REDACTED] for NASA, was interviewed (**Exhibit 130**). [REDACTED] met O'Keefe while working under Goldin. O'Keefe was the Deputy Director of the Office of Management and Budget (OMB) and [REDACTED] would attend meetings held by O'Keefe at the OMB.

In November 2001, Goldin announced his resignation. Shortly thereafter, O'Keefe was appointed as Administrator and he asked [REDACTED] to stay on for the transition of the Administration. Once there, [REDACTED] stated O'Keefe asked him to continue as [REDACTED] thinks [REDACTED] was told by O'Keefe she had to leave NASA OIG. Before that conversation took place, [REDACTED] had already spoken to COBB about the IG job.

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[REDACTED] further advised O'Keefe had interacted with COBB while at the OMB and that was how they

knew each other. COBB handled the ethics evaluation for political appointees while at the White House. When O'Keefe [redacted] COBB was interested in the job, [redacted] he was interested in being IG for NASA. COBB seemed interested in the IG job. At some point, [redacted] [redacted] concerns about the "Code X" [NASA's Office of Security and Program Protection] and NASA OIG relationship. [redacted] thought the meeting took place in December 2001 or January 2002, at COBB's office in the Old Executive Office Building. [redacted] also stated O'Keefe never discussed any of COBB's qualifications with him, but he knew that COBB "came from ethics." According to [redacted] O'Keefe liked that COBB had an ethics background.

With regard to the selection of COBB, [redacted] indicated, he "thought it was unusual" that O'Keefe had a say in who the next IG would be. [redacted] could not recall the names of any other individuals being considered for the position.

[redacted] stated COBB was appointed in April 2002. Sometime in March 2002 or April 2002, [redacted] resigned as IG. [redacted] indicated O'Keefe "instituted" weekly lunches in his private office once COBB came on board. Those weekly lunches sometimes focused on the financial audit the agency was undergoing. According to [redacted] O'Keefe "did things in close quarters." O'Keefe always met COBB in O'Keefe's office. [redacted] O'Keefe's and he would see COBB go into meetings with O'Keefe "from time to time."

O'Keefe invited COBB to his weekly staff meetings and "it was of concern to me that the IG was present." [redacted] advised there was a "chilling affect" to have an IG present while agency business was discussed. [redacted] indicated he had nothing to hide, but there would be some hesitation by staff members to discuss agency problems while the IG was present in the room.

[redacted] stated COBB developed a working relationship with Pastorek early on. They worked together on various issues that included the agency audit. COBB inserted Pastorek in many issues, and used Pastorek as a troubleshooter for NASA. COBB would contact Pastorek if he needed to run an issue by someone.

On May 30, 2006, O'Keefe was interviewed (**Exhibit 137**). O'Keefe advised he and Pastorek were college roommates at Loyola University in New Orleans, Louisiana, from 1974 to 1975. O'Keefe has been close personal friends with Pastorek since then. O'Keefe stated he asked Pastorek to accept the position because he "is the best lawyer I have ever known." O'Keefe added he has made no secret of the fact that he has known Pastorek for many years.

O'Keefe stated he first made COBB's acquaintance in a "very casual meeting," sometime between January and December 2001 while O'Keefe was serving as the Deputy Director for OMB. COBB was formerly an ethics attorney for the White House Office of General Counsel, and was responsible for vetting all "Presidential nominees" for the White House. It was while COBB served in this capacity that they first met at the White House.

O'Keefe advised he received a list of eligible candidates for the NASA IG position in January 2002. The list was sent to his attention by a "staff-type" employee from the White House Office of Presidential

Personnel (OPP); the list was not sent to his attention by anyone in a managerial position at OPP. O'Keefe immediately recognized COBB's name on the list, which also contained a number of other qualified candidates. O'Keefe advised COBB had an excellent reputation and was an "up-and-comer" in the White House ethics office.

O'Keefe advised [ ] had been in the IG position for seven or eight years when he was appointed as the NASA Administrator in December 2001. O'Keefe stated he had only been the Administrator for a few weeks when [ ] announced her resignation. O'Keefe did not think of COBB as a potential replacement until [ ] left the position. O'Keefe recalled [ ] NASA Office of Security (known as Code X), had "very strong disagreements" with [ ]. O'Keefe advised [ ] felt NASA OIG [under former IG [ ] should not have been involved in "cyber-security" issues. Asked if, prior to COBB's appointment, he told COBB to take a hands-off approach with Code X. O'Keefe stated he never told IG COBB to "stay off Code X."

O'Keefe reported having no recollection of [ ] contacting COBB. Further, O'Keefe advised he certainly did not instruct [ ] to reach out to COBB prior to Gross announcing her intention to depart the position. O'Keefe stated the White House suggested COBB as a prospective IG. However, O'Keefe advised the Administrator or Director of an agency could certainly tell the OPP what type of person or "disciplinary dimension" they want in the IG position. O'Keefe said the Administrator could state whether he/she wants someone who is a lawyer, law enforcement professional, or an auditor by trade.

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O'Keefe advised, "We had a very strong professional working relationship, nothing more." O'Keefe noted their relationship was very similar to relationships he has had with other IG's in the past. O'Keefe stated as a young Congressional staffer, he attended hearings on Capitol Hill regarding the Inspector General Act over twenty-five years ago. He could not recall anything from those hearings to the effect of, "The IG and [ ] are prohibited from working together for the betterment of the agency." O'Keefe said he and COBB agreed to maintain a relationship of mutual respect and cooperation, not an "I gotcha" mentality.

On June 15, 2006, [ ] was telephonically interviewed (**Exhibit 156**). [ ] stated that she wanted to clarify what she originally stated when she said that [ ]

[ ]

[ ]

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[ ]


On May 31, 2006, Pastorek was interviewed (**Exhibit 138**). Pastorek said he has known O'Keefe since college when they were in student government together. They remain close. O'Keefe is the godfather to his daughter, and he is the godfather to O'Keefe's daughter. He and O'Keefe met COBB in connection with their employment at NASA. Further, he knew that COBB was a Presidential appointee but did not know the details of the appointment. Regarding his social contact with COBB, Pastorek said he might have met him once for a drink after hours in O'Keefe's office. As for socializing outside the workplace, Pastorek said he did not see COBB outside of work and did not play golf with COBB.

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Pastorek stated he met with COBB and the senior staff two or three times per month. Although the meetings were supposed to be weekly, many people missed meetings due to other obligations. Pastorek was involved in ensuring that NASA worked well with the IG. He recalled there was one occasion he was required to resolve a dispute of jurisdiction between the IG and NASA Security. The jurisdiction issue was a problem of police powers over the centers at NASA. Pastorek concluded the IG did have authority over the centers, a broader authority than previously thought. In Pastorek's opinion, the IG could choose to delegate authority to NASA Security.

Pastorek recalled other issues in which he dealt with COBB. After the Columbia accident, COBB wanted a more direct role in the investigation, not a historical perspective. Pastorek did not see the IG in this capacity, believing this was the jurisdiction of the NASA experts. There was also an issue with the Kessler Aerospace sole source contract. The IG wanted "real time access" to deal with the issues in the present as opposed to going back and auditing them later. The procurement staff did not know if the contract would allow them to propose a sole source contract without the contract being re-bid. To avoid the "gotcha" syndrome, Pastorek gave the IG the opportunity to review the draft. This was done in an effort to determine if what NASA wanted to do was correct. There were rare occasions when Pastorek received a telephone call from COBB advising him of the arrest of a NASA employee. He believes this was done in an effort to afford NASA the ability to prepare should they receive a query from the news media. Pastorek was not given details of the event; merely that it was going to take place later that day.

On June 27 and 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). His response to questions associated with this area start on Page 143, line 10 through Page 155, line 2 of the transcript, and states in part:

Q. So the purposes of the meetings or lunches, the tag-ups, the meetings in the administrator's hide away, that was simply to discuss --

A. Ongoing issues at the agency.

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Q. Okay. And you've never heard or reference made to your relationship with Mr. Pastorek and Mr. O'Keefe as the holy trinity. Were you ever concerned or was it ever brought to your attention that there was a perception that the relationship that you had with Mr. O'Keefe and on occasion Mr. Pastorek gave the impression or the perception there was a lack of independence or -- and or impartiality on your part as Inspector General?

A. I don't know what people think.

Q. We hear things sometimes though.

A. I can tell you what I just related about the security apparatus. I think [ ] was concerned about it. I think he was concerned that gee, he isn't going to get what he wants out of the fight that he had been having for years with the Office of Inspector General. I think that was a concern of his as opposed to other people being concerned about it. I didn't think my senior staff was concerned about it.

The day I started working, [ ] was very concerned about independence, Frank LaRocca would talk about independence. The reality is that there are a number of issues that I think O'Keefe and I, we didn't get along on. We didn't agree on. The fact that others would think O'Keefe would do anything I would suggest, that's something that in the context of, again, if I have an issue with the center director at the Johnson Space Flight Center and he thinks that this recommendation that the IG is making is something that the administrator is actually going to impose upon me.

So, for example, if for example the -- I mentioned earlier the -- my impression that NASA -- in the decentralized management, the chief financial officer at any of these centers doesn't kowtow to the complexity of integrating the financial system at NASA in a way that works, and it is not these people shouldn't just be a fiefdom of -- and the direct report of their particular center director, the fact center directors might have the perception that my recommendations are going to be taken credibly by the NASA administrator, and even implemented, boy, that -- that was freight.

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Q. Do you know that was their perception, the center directors?

A. I think I did hear from people that -- I definitely heard that people thought that I was in with O'Keefe and -- you know -- he valued and really thought that things that I would be saying were important to him.

Q. But you never heard the converse of that, that people had concerns that the appearance -- your relationship -- aside from [ ] others, we interviewed a large number of NASA OIG employees, former, present, and those outside of NASA, OIG as well; and a large percentage of them brought this up time and time again in the interviews, that there was a perception, not just within NASA OIG but within NASA as well, that there was a lack of independence and impartiality on your part, that was precipitated by the weekly lunches, the golfing, the flying on NASA 1?

A. It comes down to what we did with the work.

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Q. But the Inspector General's Act does say you should be free in fact and appearance from anything that would give rise to concerns about your impartiality. Did you ever hear that?

A. As I said before, I'm extraordinarily proud of my 15 years of government sentence.

Every person -- you know -- here, my answer to that: Talk to the Columbia Accident Investigation Board. Talk to the Aerospace Safety Advisory Panel. Talk to congressional folks on the House Science Committee staff. Talk to the customers. Talk to the OMB people. GAO people. People that actually -- where credibility of our work product is meaningful. Talk to those people and ask them, gee, were you concerned about the independence of the Inspector General? You'll find that people who look at our work product, who deal with United States, who deal with me recognize that I don't pull punches. I call it the way I see it.

If I have some person who is a GS 12 who doesn't like the fact I had dinner with O'Keefe the fact that he before or after he presented to my conference, I'm sorry. I cannot help what those people help or think or say. All I can do is the best job I can in carrying out the mission of the agency. I have done that.

[REDACTED] We're not making any judgments here. These are allegations that have been raised. Insomuch as they have been raised, I have to bring them up. It is incumbent upon me to bring them up and give you the opportunity to respond. I'm not attacking you. I'm not judging. These were allegations that were made. I'm giving you an opportunity to respond to them. But becoming -- you know -- upset with me or to feel as if -- and I get the impression that you think that I'm attacking -- that is not the case.

THE WITNESS: I can tell you from the day I arrived people including senior members of my staff were always raising the question of independence. You're a White House political appointee. [REDACTED] has been removed or resigned under pressure. You have to worry about how things look. I can tell you -- you know -- what concerns me, number one, on my priority list is getting our work right.

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[REDACTED] Mr. Cobb, I hate to disrupt you. The question really is in the context of you being the IG over there, did you hear or hear of people making these kinds of remarks? I'm sure you consider them disparaging.

THE WITNESS: Not necessarily. Some were advisory. You should do this. You should do that. The President appointed me to carry out the job. I carried out the job to the best of my ability doing everything I thought was right in furtherance of that.

The fact that, A, people might have an opinion that something suggests a lack of independence, I started out early on saying we could be the most independent people in the world if we never talked to another human being. To me, it is advantageous and I have explained at great length why I think it is advantageous for me to be able to communicate with senior managers on a regular basis. I walked into [REDACTED] office to ask about The New York Times article.

The ability to do that, to walk into the chief of safety mission office -- officer is a great benefit.

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I'm not arriving as the government IG. I'm here as a human being trying to carry out the job in the best interests of getting the facts right. That's what it is about.

To the extent that some people would raise a question from the day I arrived they did in course, if you become an Inspector General at an agency, you're going to hear it. What it really comes down to is they don't want me questioning. I tell you we try to get the work right. Here is how we get the work right. It comes in the office, comes to the front office, whether investigative product, especially if it is an administrative investigation and we question it. If we want to get it right. We question it.

There's a lot of people in government and every office I held that basically don't like to be questioned. As soon as you start questioning them about the product, they might do something like throw the independence flag. Why are you questioning me about this audit recommendation. For starters, it is not legally right. What we're recommending is illegal. But why are you questioning me about it. There can be resentment created over that. They might say, gee, that's an appearance issue. There's a lot of folks who would throw the independence flag or the appearance flag. I'm carrying out the job to the best of my ability.

If someone else doesn't think I'm doing a good job based upon the merits I've done, great, let's discuss it. I think the point about let's get to the specifics.

Q. Did Mr. O'Keefe direct how NASA OIG conducted their work?

A. No.

Q. Did he have input into how audits or investigations were conducted?

A. Mr. O'Keefe is an extremely opinionated person. However, I also say that he's been around government long enough to recognize what the role and function and value of an independent Office of Inspector General is. Did he ever suggest that we should conduct an audit activity of some given circumstance? It may be that he did. We had extensive dealings in connection with the chief financial officer, financial statement audit; and he expressed all kinds of opinions with respect to how that audit should be conducted, what the auditors -- he would tell the auditors what -- you know, get into the arcane rules of government accounting with the auditors when we had regularized or semi-regularized meetings related to financial audits.

But in terms of -- you know -- was -- in these weekly meetings, was he saying you should look into this, you should look into that, I hope so. Do I have specific recollections of requests that he made? He may have made some by e-mail. Very often, things would be brought to his attention which he would refer to the Office of Inspector General saying this is in your lane, Moose, take care of it. In that sense, frequently, there would be things he was interested in or a complaint, some illegal activity, he would refer it either directly or through others.

Sometimes he would mis-refer it to the Office of Safety Mission Assurance, [REDACTED] or somebody or the general counsel would send it to us and say Moose this looks like it is in your lane, not ours.

Q. Did he ever suggest or ask that you not conduct a specific audit or investigation?

A. I don't recall him doing that. There have been instances where programmatic functions within the agency would come and say, gee, this is a bad time for you to do this, we have a launch date set for X date, could you defer it to a later time.

Q. Would that be an audit or investigation or both? Did you have experiences in both cases that way?

A. I certainly -- I certainly think it's happened in audit, and there's a number of instances where people say, gee, GAO is auditing us, you're auditing us, there are too many audits going on. That's a standard refrain. In connection with investigations, do I remember any request that some investigation not take place? I am not coming up with it but if you know something specific, I'd be happy to hear about it if you think you know of some circumstance along those lines.

I think generally we're dealing with people who understood what the role of the Office of Inspector General was and respected it.

Q. Was Mr. O'Keefe ever -- did he communicate to you in any way that he was resistant to the Inspector General's office conducting audits or investigations that may -- quote, unquote -- make NASA or NASA senior management look bad or paint the agency in a bad light?

A. I don't remember him saying anything like that.

**Allegation 48** – Inspector General COBB screened potential audit topics and investigative findings through former NASA Administrator Sean O’Keefe (O’Keefe) and former NASA General Counsel Paul Pastorek (Pastorek).

**Investigative Findings:**

[redacted] was interviewed regarding his complaint to the Integrity Committee of the President’s Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 8**). On February 22, 2006, [redacted] was interviewed and provided the following allegation (**Exhibit 25**). [redacted] stated that he learned from [redacted] that COBB would meet with O’Keefe and/or Pastorek and “screen” potential audit topics, and audit findings. By doing this, COBB could determine O’Keefe’s and/or Pastorek’s “acceptability” of a potential audit topic, or an audit finding. [redacted] COBB used this same method to screen potential investigations, or investigative findings, to ensure they met with O’Keefe’s or Pastorek’s approval, and/or determine what audits and investigations the OIG would conduct.

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Based on this information, a review was conducted of emails sent to and from COBB. The following are emails where COBB discussed audit and investigative information with NASA officials (**Exhibit 118**).

**1. E-mail thread**

“ From: Robert COBB [rcobb@hq.nasa.gov]

Sent: 12/20/2002 12:45 PM

To: [redacted]

Cc: sokeefe@mail.hq.nasa.gov; icreedon@mail.hq.nasa.gov; ppastorek@mail.hq.nasa.gov;

[redacted]

Subject: facilities issues

We are looking into a couple of facilities issues;

1. NASA-wide wind tunnel use and efficiencies associated with that use;
2. NASA Research park at Ames.

I’d like to discuss with you these projects so we can take your views into account in designing our activities.”

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**Followed by:**

“From: SOKEEEE@hq.nasa.gov

Sent: Thursday, December 26, 2002 3:11 PM

To: rcobb@hq.nasa.gov

Subject: Re: facilities issues

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Sounds good – thanks for the heads up – regards, Sean”

## 2. E-mail thread

“----- Original Message ----- From: Robert Cobb [rcobb@hq.nasa.gov] Sent: 06/25/2003 01:32 PM To: [REDACTED]  
[REDACTED]  
[REDACTED] Cc:  
sokeefe@mail.hq.nasa.gov; [REDACTED]  
[REDACTED]

Subject: astronaut report

My office was close to issuing a report on the astronaut corps at the time of the Columbia accident. I stopped release of the report because the message was not appropriate at the time. Given that NASA is contemplating a new astronaut class, I believe the circumstances have changed and the report should surface. My staff is coordinating with Code M audit liaison officials on this matter. ”

### Followed by:

“ **From:**SOKeefe@hq.nasa.gov  
**To:**rcobb@hq.nasa.gov; [REDACTED]  
**CC:**  
**Subject:**  
Re: astronaut report  
**Date:**  
Thursday, June 26, 2003 10:01:36 AM  
**Attachments:**

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Thanks for the heads up, Moose. We'll watch it carefully and respond promptly..“

## 3. Email thread

“----- Original Message ----- From: Robert Cobb [rcobb@hq.nasa.gov]  
Sent: 06/27/2003 05:44 PM  
To: sokeefe@mail.hq.nasa.gov Subject:  
Fwd: CAIB Observations Letter and Enclosures

Here is the draft of my observations on CAIB independence, with attachments. My expectation would be to issue the letter sometime before the CAIB issues its report. Please review and let me know what you think. I will be out the week of July 4, but will be receiving e-mail.”

### Followed by:

“**From:**SOKeefe@hq.nasa.gov  
**To:**rcobb@hq.nasa.gov;

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**CC:**

**Subject:**

Re: Fwd: CAIB Observations Letter and Enclosures

**Date:**

Sunday, June 29, 2003 10:44:16 AM

**Attachments:**

Thnks Moose - will advise/comment soonest."

#### 4. Email thread

**From:** sean o'keefe

**To:** Robert.Cobb@hq.nasa.gov;

**CC:**

**Subject:**

**Date:**

Monday, July 07, 2003 10:27:35 AM

**Attachments:**

Moose -- I've reviewed your paper on the Board independence issue. This is very timely and will likely be helpful input as the Board prepares to release its findings. We've tried to be responsive in the establishment and conduct of this investigation and your observations verify my impressions on that score. thanks for the opportunity to comment. regards, Sean"

#### 5. Email thread

"At 04:43 PM 7/30/2003 -0400, you wrote:

FYI. OIG may look into procedures for issuing bonuses to NASA's political >appointees. This is an issue executive branch wide and has received press >attention. >"

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**Followed by:**

**From:** sean o'keefe

**To:** Robert Cobb;

**CC:**

**Subject:** Re: bonus issue

**Date:** Wednesday, July 30, 2003 6:57:24 PM

**Attachments:**

sure"

#### 6. Email thread

"----- Original Message ----- From: Robert Cobb [rcobb@hq.nasa.gov] Sent: 04/26/2004 04:26 PM To:

[REDACTED]

Cc: sean.okeefe@nasa.gov; [REDACTED]

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Subject: financial management hearing

FYI. I have been asked to testify on financial management at NASA on May 12 before the House Govt Reform Subcommittee on Government Efficiency and Financial Management. I plan to comply with the request. ”

**Followed by:**

**“From:**SOKeefe@hq.nasa.gov  
**To:**Robert Cobb; fgregory@nasa.gov;  
**CC:** [redacted] Paul Pastorek; [redacted] **Subject:**Re: financial management hearing  
**Date:**Monday, April 26, 2004 5:33:12 PM  
**Attachments:**

Of course - that's during your retreat?”

**7. Email thread**

“----- Original Message ----- From: Robert Cobb [rcobb@hq.nasa.gov] Sent: 06/16/2004 02:11 PM  
To: sean.okeefe@nasa.gov  
Subject: bad parts case >fyi.

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Working with FBI and Defense Criminal Investigative Service and the >Department of Justice, we have been involved in an undercover operation >targeting suppliers of bad parts to NASA among others, including bad parts >for Station, Shuttle and NASA aircraft. Search warrants are going to be >served on six companies over the next couple of days. The names of the >suppliers are not household names, and typically involve subcontractor >suppliers. We have been involved in a number of similar investigations >and, unfortunately, suppliers often represent that parts they are >supplying meet specs when they do not. Sometimes the misrepresentation is >made knowingly and intentionally. Serving of warrants is sometimes >noticed by the media. Please keep close hold. I have sent this message >to [redacted] and Pastorek. ”

**Followed by:**

**“From:**SOKeefe@hq.nasa.gov  
**To:**Robert Cobb;  
**CC:**  
**Subject:**  
Re: bad parts case  
**Date:**  
Thursday, June 17, 2004 10:58:12 AM  
**Attachments:**

OK - keep me posted - more incoming cowpies I suspect”  
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## 8. Email thread

“----- Original Message ----- From: Robert Cobb [rcobb@hq.nasa.gov] Sent: 01/12/2005 01:42 PM To: sean.okeefe@nasa.gov  
Subject: Strategic Planning

Sean: After receiving some inquiries from the Hill, we have been looking at the role of [ ] in connection with Strategic Planning activities. Quite obviously, the concern is about conflicts; we have found nothing illegal about it, and the question is do we have an opinion about the appearances. In connection with this, I am going to send an email to [ ] requesting documents that reflect on [ ] role. I wanted to give you a heads up. I have not had a discussion with [ ] about this, although his folks know we are interested as we have been rummaging around in the contract and talking to his counsel's office and others. Of course, we are aware of NASA's counsel's approval of the arrangement and et cetera. I will be sure to discuss this with you and [ ] before we report out.

Regards,

Moose”

### Followed by:

“From: SOKeefe@hq.nasa.gov  
To: Robert Cobb; CC:  
Subject: Re: Strategic Planning  
Date: Thursday, January 13, 2005 1:13:35 PM  
Attachments:

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Thanks Moose - I think we touched all the right bases here and did it by the book in setting this up. As for appearances - [ ] brings a lot to the equation and he is probably the most objective of all the scientists given that he doesn't represent any one discipline and he has mgt responsibilities that injects a sense of realism into our planning. As evidence, just look at how the road map teams have been assembled (in accord with FACA etc) and are operating vs the endless circular motion of the JSAC? I rest my case.”

## 9. Email thread

“From: Robert Cobb  
To: paul.g.pastorek@nasa.gov;  
CC:  
Subject: Fwd: KSC Case  
Date: Wednesday, November 05, 2003 2:45:53 PM  
Attachments:

FYI on Hi-Shear case. If you forward to others, please let them know that it is sensitive information  
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about an ongoing investigation, not for general release.

X-Sender: [REDACTED]

X-Mailer: QUALCOMM Windows Eudora Version 6.0.0.22

Date: Wed, 05 Nov 2003 14:26:30 -0500

To: Robert.W.Cobb@nasa.gov, thoward@nasa.gov

From: [REDACTED]

Subject: KSC Case

Moose,

Here's a summary that can be shared with Code G regarding our ongoing investigation. This case pertains to the letters sent from KSC to Mr. Pastorek where USA asks KSC for access to the center to prepare for their civil case against High Shear.

Thanks, [REDACTED]

**HI-SHEAR TECHNOLOGY CORPORATION Case Number: O-KE-00-0107-O**

This investigation was initiated based on information provided by United Space Alliance (USA), Cape Canaveral, FL. It was alleged that Hi-Shear [REDACTED] were attempting to extort contracts from USA. USA operates as the Space Flight Operations Contractor (SFOC) under NASA contract #NAS9-20000. USA awarded Purchase Order (PO) #300531, valued at \$596,539, to Hi-Shear for the production of 17-Second Delay Cutters, which are considered Launch Critical Hardware. After numerous delays caused by both USA and Hi-Shear, a new delivery date was being negotiated. The Cutters were complete, pending a final quality inspection by USA. Approximately \$395,035 was paid to Hi-Shear under the PO. According to USA, on at least three occasions between December 28, 1999 and present, [REDACTED] attempted to extort the award of another USA PO that was in the pre-award phase, in exchange for the delivery of the Cutters. Hi-Shear also attempted to extort USA by tying the receipt of the bonnet thruster award to the delivery of forward and aft separation bolts.

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The investigation was accepted by the US Attorney's Office (USAO), Middle District of Florida. Several conversations between [REDACTED] and a USA representative regarding the alleged extortion attempt by Hi-Shear were recorded. USA later terminated its contracts with Hi-Shear and qualified another firm to manufacture the separation bolts. As a result, Hi-Shear filed suit against USA.

Subsequently a target letter was issued to [REDACTED] initially agreed to plead guilty and cooperate in both the civil and criminal cases; however that agreement has not materialized due to [REDACTED] demands. The USAO recently released copies of the recordings and transcripts to USA and Hi-Shear counsel for use in the civil trial, which was scheduled to begin October 27, 2003, but has been continued to address discovery issues.

**Update:** A draft OIG report of investigation is being prepared at the request of the USAO who intends to seek an indictment of [REDACTED] and Hi-Shear for violations of Title 18 U.S.C. § 1951 (Interference with commerce by threats or violence). A final decision has not been made on seeking an indictment of

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Further examples of emails between COBB and O'Keefe may be found in **(Exhibit 113)**.

On May 30, 2006, O'Keefe was interviewed **(Exhibit 137)**. Asked, "How often did COBB brief you on audits and investigations prior to drafts being available, or before charges were filed?" O'Keefe stated that he would generally meet with COBB once a month (or more) on audit issues. For example, O'Keefe reported a major NASA OIG audit that received more of his attention than any other issue was the audit of "NASA financial statements." However, O'Keefe advised COBB had an "open door" to visit with him at any time concerning essential matters. With regard to NASA OIG audits, O'Keefe stated he always told COBB, "On anything, come to your judgments and let me know your recommendations." O'Keefe characterized COBB's involvement with the audit function as "proactive." As an example, O'Keefe stated COBB hired [REDACTED] an [REDACTED] to further enhance NASA OIG's audit capabilities. O'Keefe advised NASA OIG audits generally centered on process and procedural issues, not specific NASA programs or missions. O'Keefe and COBB would regularly "collaborate" prior to audit activities, to determine which inquiries could most benefit the agency [NASA] and "the American people."

Mr. O'Keefe stated typically COBB would not brief him on criminal cases. It would be "very unusual" if COBB were to brief him on criminal matters. O'Keefe recalled one occasion when COBB briefed him on the status of criminal charges against a NASA employee who viewed pornographic material on a government computer.

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COBB was interviewed on June 27 and 29, 2006. His response to questions associated with this area start on Page 72, line 19 through Page 78, line 23, and Page 87, line 17 through Page 94, line 8 of his interview transcript **(Exhibit 182)**. COBB stated, in part:

Q. Do I understand correctly that Mr. O'Keefe was concerned about the audit function; and you had conversations about that, and not so much about the investigations function of NASA OIG; is that correct? He felt as if there were problems with the audit function?

A. You'd have to talk to him about what his recollection is and all that. It is difficult for me to characterize what he thought.

Q. Is that what he communicated to you?

A. My recollection of the conversation would be that we didn't get into specific activities or whatever but that just as a philosophy, that an Office of Inspector General has an opportunity to add value to an organization. And it should work hard to do that.

That's essentially it. I don't recall anything specific from the conversation, but I do remember him thinking -- you know -- and me being in full agreement that that is the nature. We might have talked about a consultative role, that in effect an Office of Inspector General can provide a consultation in connection.

You know, I'm aware and he is fully aware having been around government a long time of what the independent element is in connection with the activities after Office of Inspector General; and I can say that he and his staff accorded complete respect for that independence.

I never felt a circumstance where he articulated that I should -- I should have some opinion or should -- if he wanted us to do some kind of work, I told him the same thing I told every other senior manager in the agency.

Hey, we'd be happy to consider whether or not you thought there was a fertile ground for us to audit in connection with an activity, whether or not I can tell you not too many takers in that department of saying bring in your auditors and conduct an audit of our particular activity, but --

Q. All right. You touched on this in your last response. Your philosophy and/or understanding in regard to how an agency IG and the agency head should interact. You have made reference to a consultative relationship. Can you explain that and then what your philosophy under Mr. O'Keefe and under Mr. Griffin is as your role and Inspector General in your interaction with the agency head?

A. This is the kind of conversation we have in the office all the time. I'm collaborative in terms of my direct reports. When you get to the independence issue, you can have a group of people that are the most independent people in the world, and they never talk to anyone, because once you get out of the box and start talking to people, that's an incursion on your independence.

I can tell you in connection with audits that we've had. I've worried about whether or not our auditors at times were independent in connection with projects because there would be people who would come and in effect push an issue at auditors that suggest, gee, this program, my program should get more money than that one over there, it shouldn't. I can tell you. I've seen audit work where it felt like, gee, the program could have written the audit work.

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We've had those. In terms of the consultative role, I think that might have been a word that O'Keefe used in that conversation. I don't recall specifically it would not be inconsistent with my impression of what he'd have said. Or there is a document that [REDACTED] in connection with the IG community has circulated with the assistance of the IG community that talks about in effect supposed to be a suggestive governance document between IGs and their agencies.

It is those types of things I'm talking about as being, in effect, at least from the O'Keefe side what they were looking for in connection with a role of an Inspector General.

Q. What did Mr. O'Keefe say he was looking for in his Inspector General?

A. My guess that he would have talked about something, whether he used the word consultative or, that in effect you can go and obtain an independent analysis of issues and provide that to the agency, that that is a valuable -- that is a valuable commodity, and that -- you know -- again getting it before -- getting it early, getting advice early when the agency can take advantage of that information rather than after there has been a problem and a -- you know, of note.

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Q. So getting advice from the Inspector General as to an issue within the agency before as opposed to after the fact, after the milk is spilt, so to speak?

A. You go ask him what we talked about. It wouldn't surprise me if he had a completely different recollection. I'm walking away in that meeting with one impression. I don't know his impression. I'd say everything I said here is impressionistic of a conversation that may have lasted 45 minutes that took place four-and-a-half years ago.

Q. But you spent four years as the Inspector General under the O'Keefe administration, correct?

THE WITNESS: Right. Unless my math is wrong, I think the overlap of our service was less than three years.

BY

Q. Okay.

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A. From April of 2002 to February of '05.

I took -- and with substantial discussion with my -- again, I have a collaborative style of conducting business. I asked for Frank LaRocca's opinion. I asked for whoever my senior staff's opinions in connection with activities. I don't always do what they say. We talk about it. I do what I think is right and -- you know -- the -- that's the way I conduct business. In terms of my relationship with Sean O'Keefe, you know, I'd say we had a very good, professional working relation where if I thought there was an issue that he had to be concern about, I had no difficulty or problem communicating to him.

I tried to have as much contact with him as his schedule could tolerate. It made it so that I could be best informed as to what the issues of the day were at NASA.

Q. If we could go back to the original question. In terms of what information did you share either with Mr. O'Keefe or with the center directors or any other senior staff members within NASA related to what was going on on the investigative side of the House?

A. On that, I was giving security as a coordinating point. I might ask a question, have we coordinated in security in connection with the search warrant that's going to be served at a certain center. That would be something that the staff level.

There might be certain investigations like a safety investigation. We get -- give an example, prior to the launch of STS 114 last summer, we got an allegation there was a piece on the external tank that's a bad piece and this is about a month or three weeks before launch is supposed to take place. The fact that we're going to have a criminal investigation possibly arising out of this allegation, there's a weighing balance on how to handle it. I would talk with staff on what is our vehicle for communicating what we need -- what limited information we need to communicate to the agency.

And typically, if we had, for example, a member of senior staff who was under investigation, I would sit down with my assistant Inspector General for investigations, my counsel, my [REDACTED] and we would sit and talk about what is the best time to communicate to the agency this sensitive information that we have so that it, for example, can take, in the instance of safety, a remedial action to make sure we don't blow up seven astronauts on launch or alternatively, I can give you an example.

After getting an okay from whoever my IT was in questions with the administrator Griffin, our office in conjunction with DCIS was going to serve search warrants on orbital scientists. Griffin used to work there. I think he'd rather hear it from his Inspector General than see it on TV or read about it in the newspaper. Roughly simultaneous with the execution of the search warrants, by prearrangement with my investigative team, I would communicate to Griffin, hey, here's a heads up. We're going to be serving a search warrant in 15 minutes or five minutes. I don't know the articulation of time. It was close, worked out with my staff that. Would be my modus operandi on sensitive investigative matters whether O'Keefe, center directors, general counsel, anybody else.

I would just go and say, hey, we got an investigation going on such and such. Thought you ought to know. That would not be my -- the manner in which I would deal.

Q. Okay. What about search warrants? You spoke about communicating with the center directors relative to search warrants. How would that be communicated and in what timeframe?

A. Well, typically --

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Q. Or arrests? Search warrants or arrests?

A. Typically, those types of things would be coordinated by my staff and would not involve a phone call by me in questions with the issue. How exactly to execute them. I would want -- I would not want our armed agents going into a facility with other armed agents who were not under my employ without giving a notice to, for example, security. There are certain protocols that have been established of communicating with security, maybe communicating with chief counsel, or whatever, where we're going to be doing this.

Q. What about the center directors?

A. I typically would not be involved in picking up the phone and telling them that something was about to happen. There might be instances where we sent e-mails to some people, but that would not be a normal thing. Whatever I would do, again my modus operandi is whether it was [REDACTED] it would be I'm thinking this person needs to know this certain information for the following reason. When would be an appropriate time to communicate that information?

And taking the lead from the investigators in terms of obviously you don't want to do anything that in any way, shape, or form can negatively impact an investigation.

And so I'm sensitive to that, and that's why I had a protocol that for myself was in effect. I'm not

going to go tell somebody about an investigation unless people in my office are on board with the communications.

Let me tell you. We have a number of very serious and sensitive investigations that have been conducted throughout my tenure but right now, and this protocol and how we communicate with the agency, the agency -- if you go and talk to -- if you conduct an investigation involving a senior agency official and talk to five people, the likelihood, it is going to get back to them.

So how can you control that? You do the best you can. And -- but you do it working with an eyes towards the prize in terms of what we're doing, how we do it, how we communicate the information we need to.

I wouldn't go off by my loan some and wing it in terms of what types of things we're looking at.

Q. If I understand you generally, it would be your staff that would make the contacts or communications to either the security personnel on centers or perhaps the center directors that was not generally something you did but were there occasions when that occurred specifically with the center directors when you would communicate directly with them as to either a search warrant or an arrest that was eminent?

A. I'm not coming up with examples to give you of where I made those calls. I cannot say definitively it didn't happen. I would say typically staff would handle those communications.

Q. What staff members?

A. The special agents in charge, or the resident agent in charge would, in effect, have the responsibility for making sure that the people that needed to know -- especially, you can have a lot of safety issues in connection with a search warrant -- that the people that needed to know about it would know.

Q. Was that protocol within the Inspector General's office, NASA Inspector General's office that one of the people that needed to know was the center director or the center directors?

A. I don't know what the paper says.

Q. What paper? Are you referring to NASA regulations?

A. Yes. What our internal guidance articulates in connection with this.

Q. What was the practice?

A. My guess is the practice was not consistently applied. That in effect it requires a judgment in every case as to what the sensitivities are in terms of carrying out the particulars. So it may -- you know, it may involve a call to security office. Might involve a call to the facility people to get access to a particular portion of the building that would not otherwise be accessible.

But you wouldn't always call the people in a facility. Whether it involved a conversation with the chief counsel, I can tell from you my perspective, and what I would generally have communicated about this topic is we need to let the people know. We do not do our work in a vacuum. We need to let the people who need to know about certain activity know.

**Allegation 49** – Inspector General COBB, due to a personal relationship with former NASA Administrator Sean O’Keefe (O’Keefe), failed to ensure proper oversight of the NASA Office of Security and Program Protection, commonly referred to as Code X.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 10**). [redacted] alleged COBB, due to a personal relationship with O’Keefe, failed to ensure proper oversight of Code X. The IC referred a copy of [redacted] letter to HUD OIG for further investigation.

On February 23, 2006, [redacted] was interviewed (**Exhibit 31**). [redacted] described a situation involving the compromise of International Traffic in Arms Regulations (ITAR) data from the Marshall Space Flight Center (MSFC), Alabama, in June 2002, where COBB, in [redacted] view, failed on the independence issue. In this situation, [redacted] felt COBB “acquiesced to [redacted] Code X,” and that COBB should have “stuck to his guns” on the issue.

[redacted] advised that COBB, O’Keefe and Paul Pastorek, former NASA General Counsel, were known as the “Holy Trinity.” [redacted] went on to state, “In a nutshell, COBB would do what was necessary to avoid embarrassment for NASA.” [redacted] added that if COBB was involved in everything, he could step in and stop any action that could lead to embarrassment for the agency. In [redacted] interpretation, COBB would go with any alternative to avoid embarrassing NASA.

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[redacted] indicated the main reason [redacted] was that under [redacted] [redacted] the Computer Crimes Division (CCD) was an important unit within NASA OIG that made a significant impact. Under COBB, the focus shifted toward giving ITAR and Counter Intelligence (CI) issues to Code X. [redacted] stated it was clear that “someone had frontloaded” COBB about agency relationships because he was “tuned in especially about the relationship between Code X and Code W [NASA OIG].”

[redacted] stated that CCD became a “static department,” and that it was apparent to [redacted] that the unit would not grow any further. [redacted] stated that other CCD responsibilities were also handed over to Code X under COBB, especially those cases which [redacted] described as CCD’s “bread and butter;” computer intrusions. According to [redacted] Code X was given first crack at all computer intrusions and CCD was no longer permitted to use law enforcement intrusion sensors. [redacted]

On April 19, 2006, [redacted] was interviewed (**Exhibit 64**). [redacted] stated he heard an office rumor about a Memorandum of Understanding (MOU) in place between NASA OIG [Code W] and Code X, signed by COBB, wherein NASA OIG officially limited or removed its oversight responsibilities of Code X. [redacted] further stated, “It does make me uncomfortable that we are not looking at all of NASA.” [redacted] noted that [redacted] had a “terrible relationship with Code X,” and COBB may have simply been “picking his battles.” [redacted] heard an

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office rumor that since [ ] was such a “hound dog” when it came to Code X, COBB needed to improve relations with NASA and not further an “I gotcha relationship.”

At a NASA OIG Managers Conference held in Martinsburg, West Virginia, from September 8, 2003, through September 12, 2003, [ ] at a meeting where [ ] publicly complained to COBB that Code X personnel were carrying firearms on commercial aircraft and committing other regulatory violations. According to [ ] COBB leaned forward on the desk he was sitting at, looked directly at [ ] and stated, “I don’t care.”

On May 8, 2006, [ ] was interviewed and provided the following information (**Exhibit 104**). [ ] stated he had several problems with how NASA OIG has dealt with Code X under COBB’s leadership. COBB would always acquiesce to [ ] so as to not look bad to O’Keefe. For example, following the space shuttle tragedy in February 2003, Code X began doing criminal investigations without the legal authority to do so. Later that year [ ] complained with respect to the above Code X issues to COBB during a NASA OIG manager’s conference in West Virginia. During a meeting with several other supervisors present COBB essentially told [ ] “We [NASA OIG] were not going to deal with it.” To [ ] such actions by COBB demonstrated a lack of independence on his part.

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Per [ ] the first thing COBB did was give 100% of the CI investigations to Code X. In [ ] opinion, COBB wanted to limit CCD’s investigative responsibilities. [ ] recalled hearing from [ ] that IG COBB wanted all CCD cases presented to him first. COBB would tell the CCD agents when they could go to an Assistant United States Attorney for a prosecutorial opinion.

On May 24, 2006, [ ] was interviewed and provided the following information (**Exhibit 130**). At some point prior to COBB’s selection as IG, [ ] concerns about the “Code X” and NASA OIG relationship. [ ] thought the meeting took place in December 2001 or January 2002, at COBB’s office in the Old Executive Office Building, Washington, D.C.. [ ] indicated [ ] was “recruited” to run the Office of Security [Code X] for NASA. [ ] disagreed over some security issues. When COBB was hired, [ ] ensured he understood those problems.

On May 30, 2006, O’Keefe was interviewed and provided the following information (**Exhibit 137**). O’Keefe recalled [ ] had “very strong disagreements” with [ ] O’Keefe advised [ ] felt NASA OIG [under [ ] should not have been involved in “cyber-security” issues. O’Keefe stated he never told COBB to “stay off Code X.”

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On June 28, 2006, [ ] was interviewed regarding the allegation of COBB’s lack of oversight on Code X operations. [ ] applicable testimony is covered from pages 150 through 165 (**Exhibit 185**).

On June 27, 2006, COBB was interviewed regarding the allegation of his lack of independence concerning Code X operations. COBB’s response is covered at points between pages 46 through 152.



Below is an excerpt of COBB's interview, beginning at page 58, line 22 and ending at page 60, line 2, of his June 27, 2006, interview transcript (**Exhibit 182**).

BY [REDACTED]

Q. [REDACTED] what did he -- to the best of your recollection, what did he contribute to in that meeting? Did he discuss problems he was having with [REDACTED] and Code X and not saying anything?

A. Yes. He would have gone on at length about issues that I can tell you that in the finite period of time I had to have a conversation would not have gotten to the substance. Yes. He as -- he had any number of issues and complaints about what it was that the office was doing under [REDACTED] and would have conveyed those to me.

BY [REDACTED]

Q. Whose assessment of [REDACTED] performance, who made that assessment of her poor performance?

A. Well --

Q. To your knowledge.

A. Well, I certainly -- it was clear to me that [REDACTED] had an ax to grind in connection with [REDACTED] performance. More significantly, the chief of staff of the agency was the person who was identifying things as being problematic and again I'm sitting there with two people who were unsatisfied with the performance of an Inspector General.

Presumably, they're there on behalf of the administrator of the agency, having conversations with other people that I don't know about.

And they're asking me -- you know -- what is the legal standard.

On June 27, 2006, COBB was interviewed regarding his relationship with [REDACTED]. Below is an excerpt of COBB's interview, beginning at Pg # 141, line 18 and ending at Pg # 144, line 15 of his June 27, 2006 interview transcript (**Exhibit 182**).

Q. Have you ever heard reference made to your relationship with Mr. O'Keefe and Mr. Pastorek, have you ever heard of that relationship referred to as the holy trinity?

A. No. I don't believe so. I can say that again my relationship with the administrator in conducting leveraged the credibility of our office. And I think there were people like the security -- I think [REDACTED] was concerned that I had a relationship with Pastorek that made it fixed.

When we went to resolve -- there was a long standing problems with security and the OIG. When we went to try to resolve some of those conflicts, my view is these are people that we have to work with on a daily basis in the fulfillment of our investigative mission. Circumstances were so bad

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they were dangerous.

We had a circumstance where there was an employee prior to my coming on board who came to - in the conduct of an investigation, came to a NASA gate, requested access to the NASA facility at the Kennedy Space Flight Center, was denied access on the basis there was a hazard ongoing at the center.

He told the security official he was allowed access by virtue of -- and rightly -- that he was allowed access by virtue of policy and regulation. Again was denied. The security agent said I'm going to open the gate here I want you to turn around, our guy busted the gate and didn't literally break it but accessed the center without permission. There was a car chase resulting from that. That was the state of relations between the NASA Office of Inspector General and security office when I arrived.

Through working with the general counsel and the security officials, we tried to establish what were the appropriate lines. I told Pastorek that, hey, you make a determination, he thought himself as being the arbiter of this dispute. I said ultimately I'm going to be the arbiter of what the Inspector General Act is and so I just wanted to give you some insight into -- in answering your question.

Q. So the purposes of the meetings or lunches, the tag-ups, the meetings in the administrator's hide away, that was simply to discuss --

A. Ongoing issues at the agency.

Q. Okay. And you've never heard or reference made to your relationship with Mr. Pastorek and Mr. O'Keefe as the holy trinity.

Were you ever concerned or was it ever brought to your attention that there was a perception that the relationship that you had with Mr. O'Keefe and on occasion Mr. Pastorek gave the impression or the perception there was a lack of independence or -- and or impartiality on your part as Inspector General?

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A. I don't know what people think.

Q. We hear things sometimes though.

A. I can tell you what I just related about the security apparatus. I think [ ] was concerned about it. I think he was concerned that gee, he isn't going to get what he wants out of the fight that he had been having for years with the Office of Inspector General.

I think that was a concern of his as opposed to other people being concerned about it. I didn't think my senior staff was concerned about it. The day I started working, [ ] was very concerned about independence, Frank LaRocca would talk about independence. The reality is that there are a number of issues that I think O'Keefe and I, we didn't get along on. We didn't agree on.

**Allegation 50** – Inspector General COBB frequently had lunch with former Administrator Sean O’Keefe and former General Counsel Paul Pastorek, which may have caused an appearance of lack of independence and impartiality.

**Investigative Findings:**

On February 22, 2006, and March 10, 2006, [REDACTED] (Exhibit 25) [REDACTED] (Exhibit 41) were interviewed regarding complaints and information they submitted to the Integrity Committee of the President’s Council on Integrity and Efficiency, which was forwarded to HUD OIG (Exhibits 8 & 7, respectively). In their interviews, [REDACTED] stated that COBB frequently had lunch with former Administrator Sean O’Keefe (O’Keefe) and former General Counsel Paul Pastorek (Pastorek), which may have caused an appearance of lack of independence and impartiality.

Based on these allegations, a review of COBB’s emails was conducted. The following are emails between COBB, O’Keefe, and Pastorek that identify instances where they discussed having lunch:

1.

**From:**sean o"keefe  
**To:**Robert.Cobb@hq.nasa.gov;  
**CC:**  
**Subject:**  
**Date:**  
 Tuesday, May 06, 2003 3:09:48 PM  
**Attachments:**

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Moose -- sorry I stiffed ya for lunch today. I spent quality time waiting for the House Govt Reform Cmte to fire up the hearing on human capital legislation. But I was in good company with the SEC Chairman - upon learning who I was holding up, his legis affairs rep advised as how I should tell our IG to cool his jets and get a life. just repeating the comment, clearly from someone who believes she knows you ... all too well, it would appear! t'was a pleasure talking with your better half. regards and apologies, Sean"

2.

**From:**Robert Cobb  
**To:**Paul Pastorek;  
**CC:**  
**Subject:**Re: lunch  
**Date:**Tuesday, September 02, 2003 12:26:27 PM  
**Attachments:**

Thank you, sir.  
 At 11:03 AM 9/2/2003 -0400, you wrote:

Looks like Sean may be around after all, so I had [ ] reserved a table at Columbia Cafe.

I think it is just you and me. Do you want to eat upstairs at noon or so or do something different?

Robert W. Cobb  
Inspector General  
National Aeronautics and Space Administration  
300 E Street, S.W.,  
Washington, DC 20546  
phone: 202-358-1220  
fax: 202-358-2767

--

Paul G. Pastorek  
General Counsel  
National Aeronautics and Space Administration  
300 E Street S.W.  
Washington, D.C.  
202-358-2450 "

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On April 20, 2006, [ ] was interviewed (**Exhibit 67**). According to [ ] COBB and O'Keefe, along with other NASA senior staff, ate lunch together every Tuesday. The lunches took place either in O'Keefe's office or sometimes in the Columbia Café, which is located next to O'Keefe's office. [ ]

[ ] recalled that O'Keefe and COBB had lunch alone together on one occasion.

[ ] advised COBB does not have lunch with the current NASA Administrator, Michael Griffin (Griffin). COBB and [ ]

A review was conducted of COBB's OIG official calendar for the period April 2002 to April 2006. This review showed that COBB met with O'Keefe for lunch at a minimum of two times per month from April 2002 through February 2005, the time period when COBB and O'Keefe were at NASA together. The lunches were called "Tag-Up" or "Administrator's Hideaway." Some of those lunches included [ ] and Paul Pastorek. In addition, in some months the lunches exceeded two times per month.

COBB's schedule did not show evidence he continued those lunches with current Administrator, Michael Griffin.

On May 30, 2006, O'Keefe was interviewed (**Exhibit 137**). O'Keefe was asked how often he held "Director's luncheons" with COBB. O'Keefe stated, "I'm not sure. Once or twice a month I suppose, or more often." O'Keefe stated others often present at the luncheons included: [REDACTED]

[REDACTED] O'Keefe stated the luncheons always had a working atmosphere.

On June 27 and 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). His response to questions associated with this area start on Page 79 line 5 and Page 98 line 22 of his transcript, and states, in part:

A. But what I was part of was as his schedule would dictate, we -- I tried to have a weekly luncheon with Mr. O'Keefe; and again his schedule was extraordinarily busy. If he wanted to talk to me at any time, I was available to talk to him. And to me, as a consequence of this interaction with Mr. O'Keefe, our office was able to get involved and make contributions and establish credibility that it formerly did not have.

Q. What credibility?

A. Well, for example, when we made an audit recommendation, the agency would implement it. That was something that did not -- was not occurring as far as I can tell at least from a statistical review of what was going on under my predecessor.

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Q. Okay. You said that you would have weekly lunches with Mr. O'Keefe. You would attend staff meetings on not a regular basis, on average how often would you attend a senior staff meeting?

A. That would be a very exceptional circumstance that I would attend any kind of senior staff function. There were instances where it happened. "

Q. Aside from your -- I believe you said weekly lunches at NASA headquarters with Mr. O'Keefe, did you ever have lunch or dinner outside of NASA together?

A. Alone with Sean O'Keefe, me and him again I went to events attended by senior staff. At least one. I typically was not invited to those types of things.

Q. Why did you attend that particular one?

A. Because O'Keefe asked me to come to a particular event which was at the Stennis Space Flight Center in Mississippi there. Was a dinner afterward and I attended both of those at his request.

Q. Was there a specific reason why he requested you to attend?

A. Yes. There was a presentation that was going to be given by a contractor who had come in to analyze NASA culture and, in effect, a consulting firm. It was going to communicate about its finding and provide a status report. Because of my interest in all of the Columbia accident investigation activities, including NASA culture, I had been involved in a lot of different aspects of that. O'Keefe thought it would be worthwhile for me to attend the presentation that those people were given and I did so.

Q. Okay. Outside of that kind of lunch or dinner that obviously appears to be directly related to business, were there any lunches or dinners?

A. There may have been.

Q. Either one-on-one or with others in attendance? I'm generally talking about more of a social setting, smaller group?

A. I understand. We're talking about a person where there'd be events at the Smithsonian. I would attend those for the same reason I articulated as attending other things so people can see who you are, so you can get information from people and pass it on to staff.

Q. That's more business related?

A. I understand. I'm seeing O'Keefe a fair amount. Not every week. But a fair amount. I'm just trying to articulate. I cannot remember whether or not I ever went out to dinner. I think I would remember if I had a personal one-on-one dinner or one on two lunch or dinner with him. I don't recall it. Not while he was NASA administrator. It may have happened. I'm just trying to think. Whether there was a time where he called me up and said, Moose, we ought to go spend time together. I can't remember that happening. But I'm not saying it didn't because I'm just saying I can't remember it.

**Allegation 51** – Inspector General COBB commonly referred to former NASA Administrator Sean O’Keefe as “my boss” and stated that his goal was to “mend fences” with NASA management, demonstrating an appearance of impartiality in the execution of his duties.

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 8**). In his complaint to Nelson, [redacted] stated COBB frequently referred to former NASA Administrator Sean O’Keefe (O’Keefe) as “my boss” and introduced O’Keefe as such during a May 2004 all-hands conference in New Orleans.

On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). [redacted] stated either COBB, or [redacted] that COBB’s goal was to “mend fences” with NASA management. [redacted] believes COBB demonstrated his intent in this regard when he became the IG and met with all the NASA Associate Administrators to listen to their concerns and complaints about the way NASA OIG did business under the former IG. COBB took this action before he met with NASA OIG management or employees to solicit their thoughts. COBB personally stated [redacted] that as the NASA IG he “didn’t want to play the gotcha game” with O’Keefe. [redacted] also heard both COBB and [redacted] state “we have a lot of fences to mend,” in referring to working with other NASA offices.

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[redacted] believes COBB wants to please the NASA Administrator because he views the Administrator as his boss. [redacted] believes this was particularly true for COBB when O’Keefe was the Administrator.

During [redacted] tenure with NASA OIG, he personally heard COBB refer to O’Keefe as “my boss.” [redacted] heard COBB introduce O’Keefe as such during a May 2004 all-hands OIG conference in New Orleans, Louisiana. Based on COBB’s actions, and the way he spoke of his relationship with O’Keefe, [redacted] believed COBB was not going to do anything that was contrary to what O’Keefe wanted.

On June 27 and 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). His response to questions associated with this allegation start on page 459, line 9 of his interview transcript. COBB stated, in part:

Q. Did you ever tell NASA OIG staff we are part of NASA management and Sean O’Keefe is my boss?

A. I might have said -- I don't know what I said -- that doesn't sound like something I would say. I would say more likely, being accurate from a legal standpoint, is that the inspector general's office is part of NASA and I'm under the general supervision of Sean O’Keefe.

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Q. So you never said that he was your boss?

A. I'm not saying that I said it or didn't say it. I'd say -- you know -- as I have reflected in my

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responses to all of your questions, I don't hesitate to talk and if I have -- try to be as precise and accurate as I can; but sometimes words fail me. I don't say exactly what I mean to articulate; but in the likely circumstances that I would say -- you know -- hey, yeah, we're part of NASA; and -- you know -- I'm under the general supervision of Sean O'Keefe.



**Allegation 52** – A high number of NASA OIG employees are leaving the agency due to Inspector General COBB.

**Investigative Findings:**

Many current and former NASA OIG employees were interviewed regarding the various allegations forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency. During several of these interviews, the following complaint was received, "A high number of NASA OIG employees are leaving the agency due to COBB."

On May 15, 2006, [REDACTED] [REDACTED] was telephonically interviewed (**Exhibit 110**). [REDACTED] provided the following information via fax regarding personnel strength.

Fiscal Year	Personnel Strength	Gains	Losses	Personnel Strength (year end)	Attrition
2001	190	38	19	209	10.00%
2002	209	7	22	194	10.50%
2003	194	21	24	191	12.40%
2004	191	21	26	186	13.60%
2005	186	35	35	186	18.80%

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**Allegation 53** – Inspector General COBB created an untenable work environment for NASA OIG employees through the use of intimidation, profanity, inappropriate remarks, and other actions.

**Investigative Findings:**

[REDACTED] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 1**). [REDACTED] alleged COBB created an untenable work environment for NASA OIG employees through the use of intimidation, profanity, inappropriate remarks, and other actions.

On January 31, 2006, [REDACTED] was interviewed (**Exhibit 19**). [REDACTED] COBB alleging misconduct, mismanagement, a lack of independence and impartiality, obstruction of justice, and that COBB has created an untenable workplace at the NASA OIG. [REDACTED]

[REDACTED]

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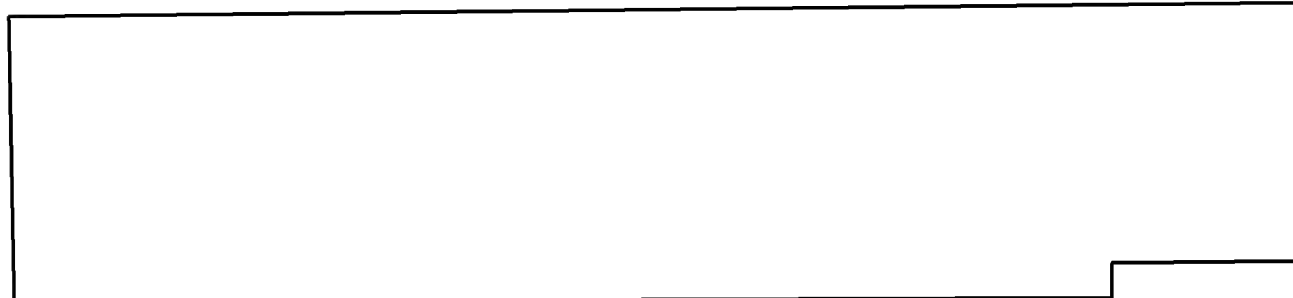
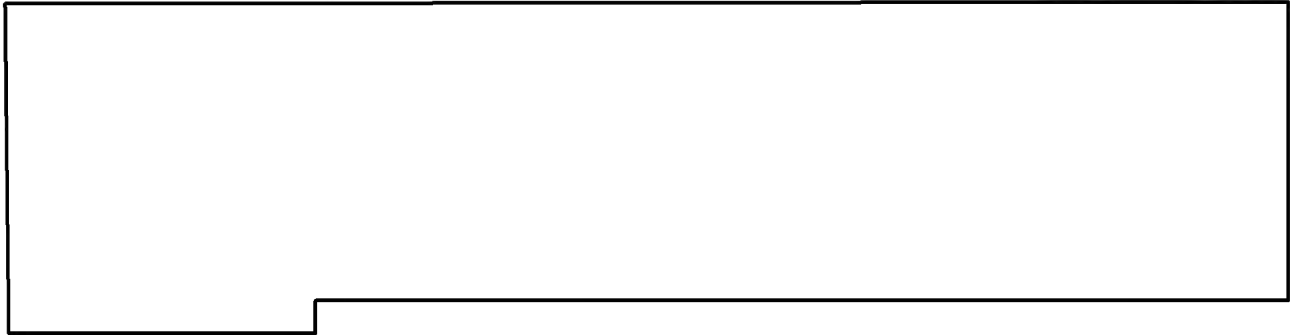
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] stated there were other occasions when COBB "crossed the line." [REDACTED] noted that on August

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[redacted] explained that COBB sees himself as a Presidential Appointee who is not accountable to anyone. [redacted] described COBB as intelligent, competitive, engaging, paranoid, a classic narcissist, and someone who is never wrong. [redacted] stated that COBB refers to himself in the third person and likes to put his feet up on the desk during meetings. [redacted] further stated that, "He [COBB] has an explosive, terrible temper, and uses profanity in the workplace." [redacted] stated that COBB does not know how to control himself in a professional environment, and that he is currently in his first supervisory position as the NASA IG.

On March 8, 2006, [redacted] was interviewed (**Exhibit 38**). [redacted] stated that his first meeting with COBB exemplified COBB's management style, which [redacted] labeled as "autocratic," "unprofessional," and as a "micro-manager." [redacted] stated that after his first meeting with COBB, their meetings were limited. Additionally, [redacted] noted that he felt COBB lacked the experience to be the NASA IG. [redacted] opinion was further supported on two occasions, when in [redacted] presence, COBB stated he (COBB) "was going to keep his mouth shut, because he did not know what he was doing." He does not recall COBB using profanity, but then stated he believes he did hear COBB use "God's name in vain."

On March 10, 2006, [redacted] was interviewed (**Exhibit 41**). [redacted] advised COBB believed his staff was incompetent. [redacted] stated that COBB verbally referred to his staff as "bureauons," which meant they were "bureaucratic morons." [redacted] stated that COBB also referred to his staff as "fucksticks." [redacted] stated that under COBB, there were "constant threats and intimidation." [redacted] said COBB talked a lot about "choking people" and that the staff was "not chokable when they are not in Washington (D.C.)." [redacted] said NASA OIG, under COBB, was "definitely a hostile environment."

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[redacted] said he also heard COBB say that he (COBB) had "no use for auditors and auditors hide behind

their (yellow book) standards and hide behind their pencils.” [ ] stated that COBB ends his meetings by saying, “Everyone is in agreement now, right?” [ ] said, “Who is going to question him or raise issues?” [ ] noted that it was very clear to all the staff that you do not question what COBB states.

[ ] recalled that in June or July 2005, COBB [ ] appeared at an Audit Liaison Representative (ALR) Conference. Somebody there asked COBB why so many people have departed NASA OIG. COBB replied that he, “wears them leaving like a badge of honor.” [ ] stated that over 100 employees have departed NASA OIG since COBB arrived. [ ] advised NASA was once voted the best place to work, and now it is one of the worst.

[ ] said the statement, “There are 1,000 people to take your place,” was a commonly used saying by COBB. [ ] recalled when one of the auditors who departed NASA OIG was staring out of the office window on his last day at work. When [ ] asked him what he was doing, the auditor replied, “I’m looking for the 1,000 people who are lined up waiting to take my place.”

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[ ] stated that COBB is “a mean, vicious and arrogant man who needs to go.” [ ] believed COBB has “wrecked many careers,” but feels he [ ] got lucky and found another employment opportunity. [ ] thought that he would end his career at NASA OIG and not be forced to go somewhere else. [ ] explained NASA OIG staff went through a lot by saying, “reorganization after reorganization, foul language and intimidation, COBB misusing his investigative powers and having employees forced out and replaced with unqualified cronies.”

On March 15, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 44**) [ ] stated there was a meeting of all staff at the Marshall Space Flight Center and “COBB humiliated and insulted the audit staff by stating that the auditors were incompetent.” [ ] directly heard COBB say that he wanted the Audit Program Directors to be relocated to Headquarters so they “would be within choking distance.” [ ] stated, “I thought this was a stupid thing to say.” [ ] felt humiliated and insulted by COBB.

On July 23, 2004, COBB sent an e-mail to all OIG staff and referred to all the GS-15 Audit Program Directors in the field as “surplus.” [ ] to be referred to as surplus is insulting and humiliating.” [ ] stated “the staff here are highly demoralized.” In discussions [ ] has had with NASA OIG auditors, more staff would have responded “disagreed,” however, they feared the responses could be attributed back to them. [ ] also stated that there has been an “extremely high turnover,” and believes at least 30 employees left last year alone.

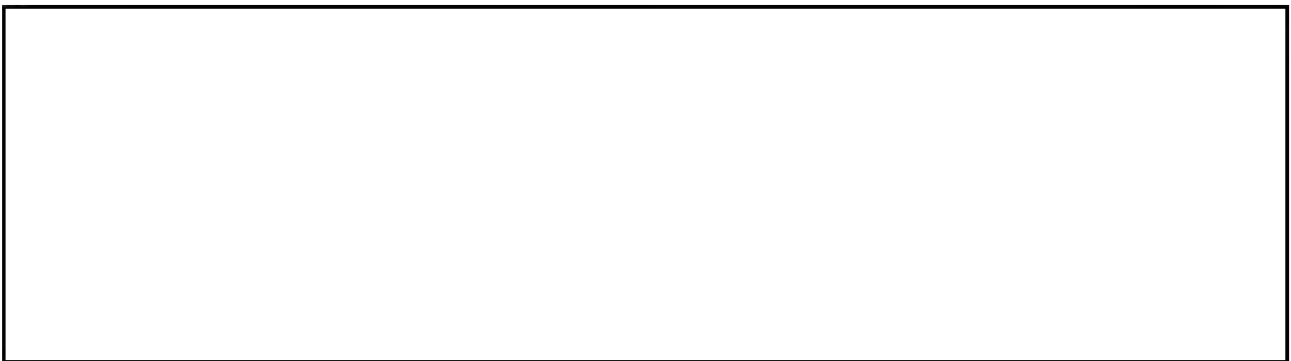
In 2005, at a conference held at the Goddard Space Flight Center (GSFC) with all the NASA audit liaison representatives, someone raised the question to COBB as to the reason for the high turnover rate within NASA OIG. [ ] stated that COBB said he was “proud of the high turnover rate,” and referred to the people who had left as “trash.” [ ] who once worked in NASA OIG and now is an [ ] “was shocked” to hear that from COBB.

On March 20, 2006, [ ] was interviewed (**Exhibit 45**). [ ] described COBB’s management style as “kind of strange,” and stated that you “never knew where you stood with him.” [ ] noted that to his knowledge, COBB did not have a background in management prior to

becoming the NASA IG. [ ] advised that in the office COBB would yell and scream, he was always negative, and he believed his opinion was the only opinion that mattered. [ ] opined that COBB conducted himself in this manner because he was insecure. [ ] noted that he does not believe COBB's temperament is suited for the job as NASA IG. [ ] advised it was his experience with COBB that COBB did not want to give anyone credit for a job well done unless he [COBB] was "leading the charge."

[ ] also noted that COBB was "involved in everything." [ ] stated his relationship with COBB started to "go south" when COBB began micromanaging him and others. [ ] noted COBB wanted to micromanage investigations, and he even wanted to personally brief AUSA's on NASA OIG cases.

[ ] advised he has often witnessed COBB using vulgar and profane language within the office in a loud and demeaning manner. On one occasion, [ ] recalled that [ ] told COBB he took [ ] COBB did not respond to [ ] noted that he does not think [ ] objection even registered with COBB. [ ] opined COBB uses vulgar, profane and demeaning language in order to emphasize what he says, and to show that he is in charge. [ ] noted COBB had no regard for what other people thought of his poor behavior.



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It became clear to [ ] that COBB just wanted him to leave NASA OIG. During one conversation COBB told [ ] [ ] noted this was a blatant threat, and COBB was communicating to [ ] that if he did not fall in line with what COBB wanted, COBB would demote him. [ ] stated in COBB's efforts [ ] [ ] stated, "I hated to go to work [...]."

[ ] advised that COBB had no respect for the NASA OIG employees, and pejoratively referred to the Special Agents in the field as "knuckle draggers." [ ] advised that COBB "maxed out" at level II on the Senior Executive Service pay schedule, and hated anyone, such as a special agent or auditor, who earned more money than he did. For instance, auditors in California earned more money than COBB, primarily because of the cost of living allowance they received. [ ] observed that COBB focused on [ ] in particular, [ ] because they earned more money than he did. COBB told former [ ]

[ ] stated the morale at NASA OIG was “horrible” when he was there. [ ] noted it got to the point that he would walk into COBB’s office and it was like “being interrogated. He would cut the legs right out from under you.” [ ] stated, “He would ask, why, why, why, and needed a justification for everything. No one wanted to work cases [under those conditions].” [ ] stated that since COBB has been the IG, attrition has been high and a lot of people have left NASA OIG. [ ] stated that before COBB became the IG, morale was good and people wanted to work at NASA OIG. [ ] stated he noticed a decline after COBB took office.

[ ] advised COBB would threaten to transfer or demote employees, and he would hold them accountable without ever being specific as to what he wanted from them, or what his expectations were. [ ] stated, “We didn’t have a [ ].” He noted COBB never gave him the resources [ ] stated that NASA OIG needs a finalized operations procedure.

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On April 18, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 56**). [ ] believes COBB has created a hostile work environment. [ ] met with COBB in Headquarters regarding [ ]. During this meeting the subject of morale in NASA OIG was brought up. COBB stated, “The beatings will stop when morale improves.”

On April 18, 2006, a confidential source identified as [ ] was interviewed (**Exhibit 57**). [ ] was in Washington, D.C. [ ] met with COBB on [ ]. At one point, one of the people with [ ] made a statement to COBB about the low morale. COBB responded, “The beatings will stop when morale improves.” Further, COBB stated if the staff are unhappy, “there’s the door,” and “there are hundreds of people to take your place.”

On May 12, 2006, [ ] was interviewed (**Exhibit 109**). [ ] COBB [ ] stated COBB was talking on the phone with [ ] stated she could hear COBB intermittently yelling at [ ] COBB made very “unprofessional statements.” She heard COBB repeating to [ ] statements such as, “It’s not going to happen,” “You’re wrong,” and “This is fucking ridiculous.” [ ] described COBB’s tone and treatment of [ ] as “condescending,” “berating,” and “demeaning.” At the end of the conference call, [ ] heard COBB state, [ ] just get off the line! Get off the line!”

[ ] stated COBB remained on the line with [ ] after [ ] disconnected. COBB told [ ] characterized COBB and [ ] conversation as, “Two frat brothers making fun of [ ].” [ ] stated after overhearing the abovementioned conversation she “thought he [IG COBB] was an arrogant prick from that point forward.” Following the conversation with [ ]

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On June 19, 2006, [ ] was interviewed (**Exhibit 163**). [ ] stated COBB has a general disregard for auditors, [ ]. He is constantly making derogatory comments, some as recent as this week. [ ]

COBB, however, it ends up becoming a debate. [REDACTED] with COBB anymore. She does not understand the basis for his feelings toward the staff, or toward audit in general. She believes COBB should not go around “harping on the problems with his staff” to other organizations. COBB has never managed before, and he is now managing over 200 people. [REDACTED] opined COBB has made mistakes, but he has not learned from them. [REDACTED] provided the following examples of COBB’s poor or improper management decisions: He placed a human resources person to be in charge of the audit organization; he yells at people; he talks negatively about auditors; and, he has an attitude of “my way or the highway.”

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[REDACTED]

[REDACTED]

[REDACTED] stated COBB is not an effective manager. [REDACTED] stated it is “tough working there, and it is not a pleasant place to work.” [REDACTED] because “it is always going to be something, and it’s never good.” [REDACTED] COBB’s expectations are not obtainable, and it is demoralizing. Even if there are times COBB’s message is right, his manner of delivery is wrong. [REDACTED]

[REDACTED] noted COBB is very arrogant and makes statements like, “I hate that I am always right.”

She noted COBB has no appreciation for the science and discipline of auditing. During the ALR conference, COBB made statements to the effect that if it was not for him, the place would fall apart. She finds this ironic, because when she arrived NASA OIG was chaotic. She does not understand why COBB makes these statements. She asked the interviewing HUD OIG staff rhetorically, “If he makes these statements, then why didn’t he put things in place behind it to fix it?”

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[REDACTED]

[redacted]

[redacted] stated there are two sides to every story, and both the front office and the Office of Audits have their faults. [redacted] believes if they all just worked together, instead of fighting each other, things would be different. [redacted] noted COBB has been [redacted]

[redacted]

[redacted]

On June 20, 2006, Counsel to the Inspector General Francis P. LaRocca (LaRocca) was interviewed (**Exhibit 169**). LaRocca described COBB as bright, demanding and arrogant. LaRocca noted COBB lacks a soft touch, and recognizes that he does. LaRocca advised once COBB makes a decision, he wants it carried out like the military. LaRocca believes COBB has grown into the position of a leader. LaRocca advised COBB called one of his legal opinions “a piece of shit,” but he was not offended by it. He advised he has seen COBB bang on table as stated above. LaRocca stated COBB is quick with criticism, but not with praise. LaRocca advised COBB said something at a San Antonio conference with Directors of other agencies present (**Exhibit 103**), and one of the attendees said to LaRocca afterwards, “That is some guy you work for.”

On June 21, 2006, [redacted] was interviewed (**Exhibit 173**). [redacted] stated he has seen COBB bully other employees. According to [redacted] sometime in September 2004, [redacted] at NASA OIG Headquarters. According to [redacted] COBB was not pleased with how the audit was progressing and did not like the way the draft audit report was written. [redacted] stated during the audit process, [redacted] had interviewed a “high-ranking” NASA official at the Glenn Research Center (GRC). [redacted] was briefing those present in the conference on her interview with the GRC official. During the discussion [redacted] asked [redacted] if she had “validated” what she was told by the GRC official in the RRR audit. [redacted] replied that she had not. In turn, [redacted] stated words to the effect of, “Come on [redacted] that is Auditing 101.” Immediately following [redacted] comment [redacted] stated, “COBB banged his fists on the desk, said the F-word, and then stood up and walked out of the room.” [redacted] stated [redacted] followed out after COBB and everyone else remained seated.

[redacted] stated those present in the meeting were “stunned” by COBB’s actions. [redacted] felt COBB’s actions were “belittling” and completely uncalled for. [redacted] apologized to those present for COBB. Specifically, [redacted] told everyone in the room, “There is no excuse for Mr. COBB’s behavior.” Neither COBB [redacted] returned to the meeting and [redacted] never received an apology from COBB. Following the meeting, [redacted] who was “very upset” and “offended” by [redacted] remark and COBB’s outburst.

On June 28, 2006, [redacted] was interviewed (**Exhibit 186**). [redacted] advised in July or August 2005, she took part in a teleconference, originated at NASA OIG Headquarters, regarding the wind tunnel audit. Present at the teleconference were COBB; [redacted] [redacted] COBB made it clear during the teleconference he was not pleased with any of the draft audit reports that had been issued.



During the same teleconference, [ ] reported COBB said to [ ] "You are stupid and incompetent." [ ] was "highly offended" by COBB's remarks. [ ] the matter at length with [ ] once the teleconference ended. [ ] always thought COBB had no manners. As stated by [ ] "You could stand right next to Moose and he will just ignore you."

On June 28, 2006, [ ] was interviewed (**Exhibit 185**). In the course of the interview, COBB's alleged use of profanity and the berating of employees were discussed with [ ] testimony regarding this subject is covered beginning at Page 237, line 3 and ending at Page 243, line 9, and again beginning at Page 249, line 16, and ending at Page 250, line 17 of his interview transcript.

In the course of the interview, the subject of COBB's management style was discussed with [ ] Below is an excerpt of [ ] testimony beginning at Page 253, line 4 and ending at Page 253, line 15 (**Exhibit 185**).

SPECIAL AGENT [ ] Okay. How would you desire his management style?

[ ] I would describe it as very direct.

SPECIAL AGENT [ ] Okay. In what respects?

[ ] That he clearly tells people what he expects, and he clearly tells people how they're doing against those expectations.

SPECIAL AGENT [ ] Does he do it in a disrespectful way?

[ ] I don't believe so. You know, we've asked that question in a couple different ways, and I just -- I don't believe so.

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On June 27, 2006, Inspector General Robert Watson (Moose) COBB was interviewed. COBB responded to the allegation. Below is an excerpt of COBB's testimony, beginning at Page 224, line 5 and ending at Page 226, line 22 of his interview transcript (**Exhibit 182**).

Q. Mr. Cobb, have you ever berated or cursed at an employee?

A. Yes.

Q. Could you give us some background, in what instances, what precipitated that?

A. It would be a lot easier if instead of me trying to pick out of the four years where three or four times I might have passionately articulated I think from this conversation you can see that I take the issues that we work on very seriously. I'm passionate about my job. So if you --

Q. How about [ ] Do you ever recall any occasions when you berated her? Caused her to cry?

A. She cried, she was an emotional person, I can tell new my opinion, she cried early on after she started working with us when I articulated to her something I profoundly believed that when she puts her name on the document, a signature on a routing sheet that she has reviewed the materials that are inside that are set for my signature, that she thinks that those things are ready for my signature.

And that was something she didn't understand. When I articulated, not in any aggressive or abusive manner, when I get a document from my people with those signatures on it, my expectation is they think that it's ready to go. And this was in response to her articulation in connection with an administrative investigations that she didn't understand that that was what her role was.

When I informed her of that in a non-abusive way, probably a month or two into her service with me, she cried.

Q. Were there any other occasions?

A. That she got teary eyed? She got teary eyed when she demanded to know whether or not she had been selected as my assistant Inspector General for investigations, and I informed her that I had made a decision, and that she was not the selectee, she cried that time.

Q. Did you ever use profane language or abusive language with her, directed at her?

A. I certainly might have used profane language. When you say directed at. Please be more specific.

Q. Directly to her.

A. Was she in the room when I used profane language?

Q. Either in the room or you were directly speaking to her?

A. Did I ever -- when I say directed that person, did I ever say F you to anyone in my office?  
No.

Q. You deny that you have ever --

A. I'd say --

Q. -- used the word --

A. -- I've used the F word in discourse in the office. I have done that. But I don't recall ever -- you know, I might say you have to be out of your F-ing mind to think something like that.

I might say something like that. But in terms of directing it at a person and saying someone brings something to me and I say F-you, I don't, I don't believe I've ever done that in my life. Well, let

me change that. In my professional life.”

Below is an excerpt of COBB’s testimony, beginning at Page 234, line 15 and ending at Page 236, line 20 of his June 27, 2006, interview transcript (**Exhibit 182**).

Q. In some instances, it has been described to us that you put your feet up on the desk in such a manner as to block their view of you. As if -- just in a disrespectful manner. Has that occurred?

A. [ ] mentioned that to me one time. Yes, I have put my feet up on the desk when we are discussing -- whoever I’m with. I have done that I’m sure on a number of occasions, lean back in my chair and put my feet up on the desk and put my hands behind my head and cogitate the issues we’re addressing. I probably have done that throughout my career on every job I have held.

[ ] -- maybe you heard it from others that they find it to be offensive; but [ ] mentioned it to me at some point. Because she had a sensitivity to it, I attempted -- I don’t know whether I met with success on it, but certainly attempted to not do it with her in the room.

Q. She further stated it was her experience routinely that you had an explosive temper, that you were explosive, had a terrible temper and used profanity in the workplace.

Would that be a fair characterization?

A. No.

Q. Okay.

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A. Let me revisit that one. There’s several characterizations there. And I just gave a flat no.

Q. Okay. Is explosive?

A. I don’t know what that means. What does that mean to you. Can you define it? I do get passionate about matters I consider to be important to the office? Absolutely.

I do get passionate about the work, getting it right? Yes. Do I get passionate when people are insubordinate to my face? Absolutely. Do I occasionally feel as though with certain individuals it is useful to in a limited circumstance -- I might have pounded the desk --

MR. CALVIN COBB: May I have a word with you.  
(conferring with counsel).

THE WITNESS: They may get to it. If they want to know the facts of how we deal with merits on issues. Counsel has -- let’s -- in any event, I take it seriously. It is unusual that I get very frustrated visibly in connection with meetings that occur in the office but it has happened.

BY [ ]

Q. Is it common for you to explode and yell at people when they disagree?

A. No. Uncommon. The exception. By virtue of this conversation, we can talk about three or four times it might have happened in the four years that I've been in the position of Inspector General.

On June 29, 2006, COBB was interviewed regarding the subject allegation. Below is an excerpt of COBB's testimony, beginning at Page 457, line 21 and ending at Page 459, line 7 of his June 29, 2006, interview transcript (**Exhibit 182**).

Q. Mr. Cobb, have you ever berated or cursed at an employee, in the office, over the phone, or outside the office? Cursed at them?

A. Cursed at them? I don't know what you're talking about.

Q. Have you ever cursed at them? Have you ever for whatever reason, you were angry at them, and cursed at them?

A. I don't believe so.

Q. Did you ever speak badly about NASA OIG employees outside the office, in the office with [redacted] or with anybody; when I say badly, talking about their capabilities, their abilities as not being up to par?

A. I believe I have done that today in the course of this interview.

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Q. Okay. Did you ever say to anyone, "because I am the fucking presidential appointee" to make a point or to end the conversation?

A. I don't know.

BY [redacted]:

Q. You don't recall if you ever made that comment?

A. I don't recall whether I ever made the comment using those precise words.

Q. Anything close to those words?

A. Well, again I said the other day in connection with several questions in connection with language that I've used when faced with people who don't appreciate a decision that I have made, or insubordination -- and I use that in a nonlegal sense -- who don't fundamentally understand what a chain of command is, and consist -- continue to persist in pressing a position which I have already rejected -- you know -- sometimes I feel like I need to make a point of emphasis. It hasn't happened very many times.

Below is an excerpt of COBB's testimony, beginning at Page 463, line 23 and ending at Page 467, line 9  
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of his June 29, 2006, interview transcript (**Exhibit 182**).

Q. How about [redacted] Do you ever recall where in during -- after an exchange with you, [redacted]

A. I don't know what you're referring to.

Q. [redacted]

A. Well -- you know -- I can tell you we have many conversations. They get very many sensitive matters that may involve counseling of people in connection with issues. I don't know what matter you're referring to, but I can tell you there might be any number of circumstances where after I've had a conversation with someone, where I feel like I've come and told them how I feel about a particular issue, that to make sure that they feel okay about themselves and their performance because they're valid employees, I might articulate gee -- you know -- you, I want you to know you're doing a good job, sorry I came down so hard on you in connection with an activity.

But it's really making sure the office is put together well and again I can't tell you how proud I am of the office as it is right now and how well it's performing. I think it is demonstrated by what we've been producing lately.

Q. Actually, this happened recently, just within -- well, let's say within the last month. It may have been even earlier than that. It was a conversation that you had with [redacted]

[redacted] Does that refresh your recollection?

A. You know, I know that we had conversation about fraud training because we had several. Maybe the conversation, which you haven't elucidated for me what exactly it was -- .

Q. [redacted]

A. Okay. We had more than one conversation.

Q. Okay. Do you recall a conversation, one in particular, [redacted]

A. I'd say I do not recall a conversation where it got heated, which was your prior characterization. I do recall a conversation where [redacted] and I sat with [redacted] and counseled her about certain issues which we thought she was showing some lack of sensitivity to in the conduct of [redacted] and that she should be sensitized to my role in that.

It was not a happy or pleasant conversation but it was something -- in mentoring her towards fulfilling her responsibility as a manager of a number of people; and carrying out leadership responsibilities, something that I felt we needed to tell her.

Q. Okay.

A. Not heated in any respect.

Q. And there's a reflection of that, that appears like -- as if there may have been a conversation that you were having with her relative to perhaps two comments she made in the office.

A. A number of different activities.

**Allegation 54** – The Inspector General will have held OIG conferences an unprecedented 3 years in a row at expensive locations.

**Investigative Findings:**

HUD OIG received a complaint through the Integrity Committee of the President's Council on Integrity and Efficiency from [REDACTED] (Exhibit 8). In his complaint to the IC, under the heading of Waste and Abuse, [REDACTED] stated, "The IG will have held OIG conferences an unprecedented 3 years in a row at expensive locations."

On May 23, 2006, [REDACTED] was interviewed (Exhibit 128). [REDACTED] provided documents with a detailed Cost Analysis completed for the All Hands Conferences held in FY 2003 through 2005. The documents were reviewed and the total estimates for each city are indicated below. The actual locations where the conferences were held are indicated on the first line in bold.

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FY2005	
<b>Miami</b>	<b>285,074</b>
Miami 2 *	268,988
Atlanta	288,158
Dallas 2	288,695
San Diego	300,000
Dallas	305,300
San Francisco	331,000

FY2004	
<b>New Orleans</b>	<b>218,995</b>
Cleveland **	174,747
Orlando***	174,839

FY2003	
<b>Houston</b>	<b>153,223</b>
Washington DC	194,502
San Francisco	155,005

\* Renovations at Hotel-not selected

\*\* No Facilities

\*\*\* No Availability

**Allegation 55** – At a substantial cost, Inspector General COBB had the words “duly appointed” removed from everyone's credentials because he is the only person who has been “duly appointed.”

**Investigative Findings:**

On February 22, 2006, [REDACTED] was interviewed to obtain information regarding various allegations received by HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 26**). [REDACTED] stated, at a substantial cost, COBB had the words “duly appointed” removed from everyone's credentials because he is the only person who has been “duly appointed.”

On February 24, 2006, [REDACTED] recalls COBB stating that he is the only one who is “appointed and accountable” to the President (**Exhibit 34**). According to [REDACTED] COBB was outraged that the NASA OIG special agents' credentials contained the word “APPOINTED” as Special Agents. COBB directed all credentials be changed to read: “Authorized” as special agents. To illustrate her point [REDACTED] presented her credentials, which displayed the following after her name: “Whose Signature And Photograph Appear Below is Authorized To Perform The Duties Of...”

On June 19, 2006, [REDACTED] sent an email reply to HUD OIG's information request regarding NASA OIG credentials (**Exhibit 167**). The email states:

“We purchased the OIG Credentials machine in Jul 2003 (verified) with the goal of reissuing creds to OIG investigative employees. The language on the creds that dealt with performing duties ‘as a Deputy United States Marshal’ had to be changed when the DHS act gave the arrest/firearm authority under the act versus as a deputy US marshal with authority from the Attorney General. Same circumstances were present at HUD OIG. In the Nov 2003 timeframe, SA [REDACTED] who handled the machine at the time, - had contact with Frank LaRocca, Counsel to the IG, and others about the credential language. It appears as though the language in the prior version of the credentials said “duly appointed” and the new language said “authorized” and it was changed by the IG.

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On the cost issue - OIG was to reissue credentials anyway based on the DHS act authority change, so there would not have been any additional expense to reissue investigative credentials.”

COBB addressed the allegation during his interview conducted on June 29, 2006 (**Exhibit 182**). His response begins at page 423, line 11.

Q. Did you have the words -- the word, excuse me, “appointed by” removed from the credentials of the NASA OIG special agents?

A. I don't know whether I did or not. I can tell you that I sign things like I have a new deputy

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inspector general for investigations. His credentials came for me. They were stated incorrectly. I would articulate that gee I think that needs to be fixed because it isn't an accurate articulation. You are asking me generically, did I have input on credential writing? I did. I encourage my staff when they bring those things to me that it be an accurate articulation of what actually transpired in connection with the carrying out of the job.

Q. The allegation is that you had all NASA OIG's special agents' credentials changed to have the word "appointed" removed not just on a case by case basis, that you signed them if you saw something wrong?

A. If that's something I did you need to show me the before, the after, and what the analysis was for the action that I took. I generally don't take random actions for no reason. I'm doing things because -- to get the best articulation. Whether I did it or it was recommended to me by [REDACTED] or something I penned myself, I don't know.

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Q. Actually, we were provided with a reason, allegedly your reason was that you were outraged when you found out their credentials read they were appointed and you stated you were the only one that was appointed and accountable; and, therefore, you had the credential, the word "appointed" changed to the word "authorized."

A. As far as the effect of what I would have articulated -- .

Q. Did you direct this be done?

A. I don't recall directing it. It may well be. My articulation is if I drew a distinction between authorized and appointed, typically, again, I act on what my perception of what the law is and so I don't know. Also, I don't know that -- I don't know this was an issue -- for example, if I did something that was a big issue and someone came back and said this is a big deal, Moose, you can't do this? I don't know. I don't recall that happening either.

Q. You would have had to have signed all the credentials, correct?

A. Yes.

Q. You have approximately 60 some agents roughly; is that correct?

A. Yes.

Q. Do you ever recall having a bulk of credentials before you for signature?

A. I get them all the time.

Q. Right. As employees -- as new agents come on?

A. Yes.

Q. I'm talking about in bulk. Do you ever recall that?

A. My recollection is they had a new system for credentialing. After they got the new system for credentialing, this issue of signing a bunch of them came up. Probably in the context of there being a whole set of credentials, there might have been some sample credentials so that the language -- because people heard me say, for example, the credentials I had as inspector general in my view made no sense. So at some later point in time when there was recredentialing I insisted mine, for example, make sense.

Q. How did you have your credentials changed?

A. To articulate -- I don't have them with me right here. But in effect to articulate something consistent with law rather than inconsistent with law.

Q. What was inconsistent?

A. The language that was there before was nonsensical and might have been inconsistent with law. It made no sense.

Q. To whom?

A. When you read it didn't, for example, speak in complete thoughts or ideas of communicating something that made sense to me. So what I -- what did I ultimately do? I had it articulate in effect that I was appointed pursuant to -- you know -- the Inspector General Act and if I had the language right here, I could give it to you.

Q. Okay. So you don't -- just for clarification, you don't recall being enraged and stating that you were the only one appointed or accountable to the President and therefore all special agent credentials should be changed?

A. I don't recall saying that.

**Allegation 56** – Inspector General COBB used NASA OIG funds to reconfigure the OIG Headquarters office space and purchased a \$2,500 frame for a picture in his office.

**Investigative Findings:**

The allegation pertaining to the purchase of a \$2,500 picture frame was received by the Integrity Committee of the President's Council on Integrity and Efficiency in a complaint filed by [REDACTED] [REDACTED] on June 8, 2003, which was forwarded to HUD OIG (**Exhibit 2**). The allegation pertaining to expenditures made by COBB to renovate his executive office was received by HUD OIG, through the PCIE, by an individual that requested their identity be protected.

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On June 20, 2006, [REDACTED] was telephonically interviewed (**Exhibit 170**). [REDACTED] when he began working at NASA OIG, COBB did not purchase a picture frame that cost \$2,500 using NASA OIG funds. COBB did renovate his office; however, it did not cost NASA OIG any additional funds. This is due to the fact that NASA OIG utilizes NASA's contractor. NASA retains its own contractor, who receives a monthly retainer fee to perform renovations for the agency; therefore, there is no additional cost to NASA OIG for any renovations done. In addition, the walls at NASA OIG are movable and COBB's office renovation did not require any construction.

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**Allegation 57** – At a NASA OIG all-hands conference, Inspector General COBB told his agents that they do not work for the Assistant United States Attorneys (AUSAs).

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 1**). In [redacted] complaint to Senator Nelson, [redacted] stated that the IG "does not like the fact the U.S. Attorneys Offices (USAO) have so much influence over his agents and their case."

On January 31, 2006, [redacted] was interviewed (**Exhibit 19**). [redacted] stated that, "He [COBB] thought that the AUSA was an idiot and that his agents did not work for the USAO, they worked for him." [redacted] stated that COBB wanted his people to follow his decisions.

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[redacted] wrote a letter to Senator Nelson that was forwarded to HUD OIG through the PCIE (**Exhibit 9**). In his complaint to Senator Nelson, [redacted] stated, "While at NASA, other employees of the OIG, related stories of the IG's presumptive disdain for Assistant U.S. Attorneys."

On February 21, 2006, [redacted] was interviewed (**Exhibit 23**). [redacted] was asked if he ever heard COBB make the comment, "My agents do not work for the AUSA." [redacted] replied, "Yes, oh sure, probably at the all hands meeting." [redacted] recalled COBB said, "My agents don't work for the AUSA, don't let the AUSA run cases." [redacted]

On February 22, 2006, [redacted] was interviewed (**Exhibit 26**). [redacted] recalled that he heard COBB say that his agents do not work for the USAO. He believes COBB said this at the NASA OIG All-Hands Conference.

On February 24, 2006, [redacted] was interviewed (**Exhibit 34**). [redacted] witnessed COBB telling investigators that, "you don't work for the AUSA, you work for me."

On March 7, 2006, [redacted] was interviewed (**Exhibit 37**). [redacted] was asked if he had heard COBB state that his agents do not work for the AUSA's. [redacted] advised he heard COBB make that comment at an "all hands" conference.

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On June 28, 2006, [redacted] was interviewed (**Exhibit 185**). [redacted] was asked if he had ever heard COBB make the statement that the special agents do not work for the USAO or AUSAs. [redacted] response is located on page 179, line 9 through page 180, line 12, and on page 238, line 11 through page 240, line 13, of his interview transcript. His response was, in part:

SPECIAL AGENT [ ] Have you ever heard Mr. Cobb say, particularly in public forums, all hands -- in NASA OIG all hands conferences and even outside of those conferences, in speeches or presentations to other bodies that the NASA OIG agents do not work for the U.S. Attorney's Office or the AUSA?

[ ] Yes. Oh, yes.

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SPECIAL AGENT [ ] They work for him.

[ ] Yes. Yeah. Yes, I've heard him say that.

[ ] It's his opinion based no [sic.] the Inspector General Act. If you read the Inspector General Act, literally, it says that the Inspector General makes referrals to the Justice Department and the Attorney General. It's not individual agents. So he makes it in that context.

**Allegation 58** – Inspector General COBB had an apparent disdain for Assistant U.S. Attorneys and referred to himself by stating, “I’m a Fucking Presidential Appointee.”

**Investigative findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 9**). In his complaint to Nelson, [redacted] stated, “While at NASA, other employees of the OIG, related stories of the IG’s presumptive disdain for Assistant U.S. Attorneys, and spoke of instances wherein the IG referred to himself by stating: ‘I’m a \*ucking Presidential appointee!’”

On March 22, 2006, [redacted] was interviewed (**Exhibit 48**). [redacted] stated that [redacted]  
[redacted]  
[redacted] “I’m a  
fucking Presidential appointee.” [redacted]

On April 24, 2006, [redacted] was interviewed (**Exhibit 75**). When asked if COBB ever ended a conversation [redacted] by saying “Because I am a fucking Presidential Appointee,” [redacted] indicated COBB never said that [redacted]

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[redacted] COBB then walked out of the room. [redacted]

COBB addressed the allegation during his interview conducted on June 27, 2006, and June 29, 2006. Below is an excerpt of COBB’s interview, beginning at page 237, line 3 and ending at page 240, line 7 of his interview transcript (**Exhibit 182**).

Here's another. [redacted]  
[redacted]  
[redacted]  
[redacted]

Then you walked out of the room?

A. I do know what you're talking about here. I don't know if I walked out of the room maybe other than to walk out of my office to the deputy's office to relate what had just occurred in terms of the conversation.

I don't think that's what transpired in that one. Because I think that I think what we're talking about in that instance was [ ] brought into my office a search warrant that our office intended to serve the next day at I believe the Marshall Space Flight Center.

She was doing this for purposes of letting me know that we have a warrant that's going to be served on campus, and that raises an issue of I might get a call from a center director or other concerned person about this action that our office has taken and that's a good thing she would notify me.

So she handed me the search warrant. I read the search warrant. It looked to me like what was articulated in the search warrant wasn't -- might not be a crime. Specifically, there was a question of theft of proprietary information; and the question was -- if we're talking about the same event which I think we probably are, whether there was a theft of proprietary information and the information had been generated by a government employee.

So having been around government for a little while, I noted the basic rule on proprietary information is if it is generated by a government employee, it is not proprietary, it is something that is in effect owned by the public domain.

That's a complex issue because there's something called technology transfer and there's a lot of issues associated with that. So I raised the question of whether or not, gee, was there fundamentally in connection with this probable cause determination that is a prerequisite to a signature on a search warrant, whether or not there was actually a crime that underpinned the search warrant.

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[ ] response to my question was I don't think you can ask that question. In her mind, it was an interference with an investigation that was taking place by the Inspector General and that that was in effect out of the box on me asking the question.

You know, I think it is in the box for me to try to use my skills as attorney and as the presiding official, the President and trusted appointee position, to make sure the laws of the United States are upheld. So here I thought we had a questionable warrant.

So I called in -- I said, don't we get Frank LaRocca counsel to the IG involved. Brought Frank in. I said, Frank, have you seen this search warrant? My recollection of the conversation was something along the lines of Frank saw it and said I did see that. I had a question about it. His question was the same question I had.

So what we thought -- what I thought we had was a question of whether or not we had a legitimate search warrant.

And [ ] was very upset at the idea that I would be asking the questions and, in fact, contemplating calling the United States Attorney for the District to call him and ask him and say, hey, I'm looking at this thing wondering whether or not there's a crime here.

Are we about to serve a warrant that's fundamentally -- you know -- incorrect in its articulation.

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So that's what that was about.

Below is additional testimony provided by COBB relative to this allegation that begins at page 458, line 12 and ends at page 459, line 7 of his interview transcript.

Q. Okay. Did you ever say to anyone, "because I am the fucking presidential appointee" to make a point or to end the conversation?

A. I don't know.

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Q. You don't recall if you ever made that comment?

A. I don't recall whether I ever made the comment using those precise words.

Q. Anything close to those words?

A. Well, again I said the other day in connection with several questions in connection with language that I've used when faced with people who don't appreciate a decision that I have made, or insubordination -- and I use that in a nonlegal sense -- who don't fundamentally understand what a chain of command is, and consist -- continue to persist in pressing a position which I have already rejected -- you know -- sometimes I feel like I need to make a point of emphasis. It hasn't happened very many times.



**Allegation 59** – Inspector General COBB stated that he wanted his Audit GS-15s in Headquarters where he “could choke them.”

**Investigative Findings:**

HUD OIG received a complaint through the Integrity Committee of the President’s Council on Integrity and Efficiency from [redacted] (Exhibit 8). In his complaint to the IC, under the heading of “Squelching Audit Findings,” [redacted] wrote COBB had stated that he wanted his GS-15s in Headquarters where he “could choke them.”

On February 22, 2006, [redacted] was interviewed (Exhibit 25). [redacted] believes it was [redacted] that when COBB made the decision to have all of the GS-15 Auditors in Headquarters, he [COBB] said he was doing it because he wanted all of the audit directors in Washington, D.C., where he could “get his hands around their necks and choke them.” None of the audit directors wanted to move to Washington, D.C., so COBB converted GS-15 inspectors, all ready at headquarters, to audit directors, and converted the audit directors in the field offices around the country to associate audit directors.

On March 10, 2006, [redacted] was interviewed (Exhibit 41). [redacted] explained COBB wanted the Office of Audit to reorganize because he did not like having the Audit Directors stationed in the field offices. [redacted] advised that COBB said he “wanted them in Headquarters where he could choke them.” [redacted] said that having the Audit Directors stationed in Headquarters did not make a lot of sense, because all the work performed and decisions made involving NASA is conducted at the NASA field centers, and not in NASA Headquarters.

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On March 15, 2006, a confidential source identified as [redacted] was interviewed (Exhibit 44). [redacted] stated that within one year of COBB becoming the IG, COBB wanted to move all GS-15 Audit Program Directors to Headquarters because “COBB wanted them within choking distance.” [redacted]

[redacted] stated they were given the opportunity to compete for their own positions, which would now be at NASA OIG Headquarters.

On June 29, 2006, [redacted] was interviewed (Exhibit 185). [redacted] was asked if he ever heard COBB say that he wanted the audit directors at headquarters within choking distance or where he could choke them? [redacted] responded with, “Yes, he did.” “Yes, within choking distance. [redacted] When asked the meaning of the term, [redacted] stated “essentially being able to reach out and grab somebody by the neck and hold them accountable.” [redacted] stated, “I don’t think it was made at all in a derogatory way. It was simply a figure of speech. I mean it’s really intended to be a joke. You know, I personally believe that there needs to be a little humor in the workplace, and I don’t -- you know, no one ever told me that it was offensive.”

On June 29, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (**Exhibit 182**). COBB addressed the allegation, and his response begins at page 411, line 14.

Q. It is our understanding you wanted your GS-15 audit directors in headquarters and that you said you wanted them within -- quote, unquote -- "choking distance." Do you recall saying that?

A. I might have said that.

Q. Okay. Can you elaborate a little bit first why you wanted them all in headquarters?

A. I wanted them there because the important functions of NASA and the important functions of our office were being carried out at headquarters.

Q. Okay.

BY

Q. And choking distance?

A. I wanted them close enough so that, in effect, I had an opportunity to discourse with them on the issues of the day and, in effect, have them accountable. Whereas prior to that reorganization they fundamentally were not accountable in connection with the manner in which we were doing business. b6  
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Q. Can you understand looking back today how a statement like that can come off as intimidating by you?

A. I think you're asking for an opinion about my personality. I think many questions that were previously asked were, in effect, related. There are a number of people, as I've articulated earlier, that did not want to be held accountable and bristled at any change to any document they came up with whether the document was wrong factually or wrong legally, et cetera. They bristled at that. For you to understand whether or not I'm a personable person, whether I get along with people would require your discussing my approach towards getting the business of our operation done with a multitude of people, well beyond the people who have bristled at the manner in which I conduct business.

**Allegation 60** – Inspector General COBB stated he had to do some diving saves to keep auditors from embarrassing NASA.

**Investigative Findings:**

On February 22, 2006, [REDACTED] was interviewed (**Exhibit 30**) regarding a complaint she submitted to the Integrity Committee of the President's Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 11**). During the interview, [REDACTED] provided the following allegation. [REDACTED] stated during an Audit Liaison Representative (ALR) Conference, COBB stated he had to do some diving saves to keep auditors from embarrassing NASA. [REDACTED] advised that NASA employs ALRs at each Center that interact with NASA OIG audit staff. Each year the ALRs have a conference that COBB attends. At the conference in 2005 COBB was asked how NASA OIG audits were going. COBB responded that he had to do some diving saves to keep auditors from embarrassing NASA.

On May 2, 2006, [REDACTED] was interviewed (**Exhibit 87**). [REDACTED] [REDACTED] during an ALR conference last year, COBB spoke and made derogatory comments about NASA OIG audit staff. [REDACTED] [REDACTED] that COBB said, "Auditors are idiots, and I have to save them from themselves." [REDACTED] stated morale is low, and when things like this get around to all the staff, it further depletes morale.

On May 3, 2006, [REDACTED] was interviewed (**Exhibit 96**). [REDACTED] was in attendance at a July 2005 ALR Conference in Lancaster, Pennsylvania, and COBB [REDACTED] [REDACTED] were speakers. COBB was speaking about the changes he had been making in the Office of Audit, and his view that "you don't need auditors to do audits." COBB continued by stating he had changed the staffing by hiring individuals who were not in the 511 job series.

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At the ALR conference, COBB was asked "What do you think is your greatest accomplishment over your three years as the NASA IG?" COBB responded, "I have had to make many a diving save to keep my staff from doing something really dumb." [REDACTED] found COBB's statement offensive and completely inappropriate. When it was time for [REDACTED] to speak, she began by stating she did not agree with COBB's point of view relative to not needing auditors in the Office of Audit. [REDACTED] did not address the statement COBB made concerning staff doing "dumb" things.

On June 19, 2006, [REDACTED] was interviewed (**Exhibit 163**). She noted COBB has no appreciation for the science and discipline of auditing. During the ALR conference, COBB made statements to the effect that if it was not for him, the place would fall apart. She finds this ironic, because when she arrived NASA OIG was chaotic. She does not understand why COBB makes these statements. She asked the interviewing HUD OIG staff rhetorically, "If he makes these statements, then why didn't he put things in place behind it to fix it?"

**Allegation 61** – Inspector General COBB often propped his feet on his desk in the faces of his staff.

**Investigative Findings:**

HUD OIG received a complaint through the Integrity Committee of the President's Council on Integrity and Efficiency from [REDACTED] (Exhibit 8). In his complaint, under the heading of "Unprofessional Behavior," [REDACTED] stated, "COBB often propped his feet on his desk in the faces of his audit directors."

On April 18, 2006, a confidential source identified as [REDACTED] was interviewed (Exhibit 57). [REDACTED] felt it was disrespectful when COBB would meet with staff at the round table in his office, and put his feet up on the table such that eye contact could not be made and "you would be talking to his feet." [REDACTED] experienced this directly.

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On April 24, 2006, [REDACTED] was interviewed (Exhibit 75). [REDACTED] COBB did not respond.

On May 3, 2006, [REDACTED] was interviewed (Exhibit 95). [REDACTED] stated COBB has shown a lack of respect by not appearing to be very interested in what an employee was doing, or by putting his feet up on his desk when speaking with an employee. [REDACTED] herself has experienced this behavior.

On June 28, 2006, [REDACTED] was interviewed (Exhibit 185). [REDACTED] was asked if he had ever experienced COBB propping his feet up on desks. [REDACTED] said, Yes, COBB propped his feet up a lot. That was something that [REDACTED] I don't find it disrespectful."

On June 27, 2006, Inspector General Robert Watson (Moose) COBB was interviewed (Exhibit 182). COBB's response to this allegation is located on page 234, line 8 through page 235, line 7 of his interview transcript. COBB stated:

Q. Okay. [REDACTED] said that you liked to refer to yourself in the third person and put your feet up on the desk during meetings. Do you routinely put your feet up on the desk during meetings? This is something we've heard from a number of other witnesses as well and they have taken it to be very disrespectful.

In some instances, it has been described to us that you put your feet up on the desk in such a manner as to block their view of you. As if – just in a disrespectful manner. Has that occurred?

A. [REDACTED] mentioned that to me one time. Yes, I have put my feet up on the desk when we are discussing -- whoever I'm with. I have done that I'm sure on a number of occasions, lean back in

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my chair and put my feet up on the desk and put my hands behind my head and cogitate the issues we're addressing. I probably have done that throughout my career on every job I have held.

[redacted] -- maybe you heard it from others that they find it to be offensive; but [redacted] mentioned it to me at some point. Because she had a sensitivity to it, I attempted -- I don't know whether I met with success on it, but certainly attempted to not do it with her in the room.

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**Allegation 62** – At an OIG All-Hands Conference in New Orleans in May 2004, Inspector General COBB wore a shirt that said “Fuck You, You Fucking Fuck.”

**Investigative Findings:**

[redacted] wrote a letter to U.S. Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibit 8**). In his complaint to Senator Nelson, [redacted] wrote under the heading “Unprofessional and Demeaning Language and Behavior,” that he [IG COBB] wore a T-shirt during an OIG all-hands conference (New Orleans, May 2004) that said “F--- You.”

On February 22, 2006, [redacted] was interviewed (**Exhibit 25**). [redacted] was told by a number of NASA OIG employees that at the May 2004, NASA OIG All-Hands Conference, COBB was seen walking around the French Quarter in New Orleans, Louisiana, with a tee-shirt that read “fuck you” on it.

On March 10, 2006, [redacted] was interviewed (**Exhibit 41**). [redacted] stated that at the NASA OIG All-Hands Conference held in New Orleans, COBB wore a shirt that read, “Fuck You, You Fucking Fuck.” [redacted]

On March 15, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 44**). At the May 2004 NASA OIG All-Hands Conference in New Orleans, Louisiana, [redacted]

[redacted] new t-shirt,” which read, “Fuck Me, Fuck You.” [redacted] stated that [redacted]

On April 18, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 56**). [redacted] stated during the All-Hands Conference in New Orleans, [redacted] COBB

[redacted] “Fuck you, you fucking fuck.” [redacted]

On April 18, 2006, a confidential source identified as [redacted] was interviewed (**Exhibit 57**). [redacted] stated at an All-Hands Conference in New Orleans, [redacted]

[redacted] stated the shirt read, “Fuck you, you fucking fuck.”

On June 29, 2006, COBB was interviewed (**Exhibit 182**). COBB was asked about the shirt, and this portion of the interview is located on page 466, line 13 through page 467, line 9 of the transcript.

Q. At the conference held in New Orleans, did you ever buy or wear a T-shirt that had the

words "FU" on it?

A. I certainly bought a T-shirt. Whether I put it on or held it up, I don't know.

Q. To your staff?

A. I went into a shop to buy the T-shirt as a practical joke. I was – in connection with a buddy of mine unrelated to work. In fact, on the way to purchasing it, a staff member came alongside me and we walked into the T-shirt shop, I bought the T-shirt, walked out. There were other staff members. Whether I did it on my own initiative or the staff member said show them the T-shirt, whatever, I showed them the T-shirt.

Q. What exactly did it say on it?

A. It said -- it said FU you F-ing F.

Q. Was that spelled out?

A. Yes.

Q. So in place of F, the entire word, f-u-c-k, was spelled out?

A. Yes.

**Allegation 63** – During a teleconference, Inspector General COBB told an audit manager to shut up when the manager tried to explain the importance of getting historical data as evidence to support a trend of under spending for Shuttle infrastructure.

**Investigative findings:**

A complaint was received through the Integrity Committee of the President's Council on Integrity and Efficiency from [REDACTED] which was forwarded to HUD OIG (**Exhibit 8**). In his complaint, under the heading of "Unprofessional and Demeaning Language and Behavior," [REDACTED] stated, "during a telecom, he told an audit manager to shut up when the manager tried to explain the importance of getting historical data as evidence to support a trend of under spending for Shuttle infrastructure."

On April 19, 2006, [REDACTED] was interviewed (**Exhibit 65**). In approximately December 2002, [REDACTED] attended a teleconference with COBB, [REDACTED]. During the teleconference COBB told [REDACTED] "Shut up, I haven't finished." COBB's tone showed no respect, and his "unprofessional conduct set the tone." The antagonism between COBB and [REDACTED] from that point was such that no matter what results the audit team discovered during an audit, COBB would not accept the results as fact.

On May 2, 2006, [REDACTED] was interviewed (**Exhibit 87**). [REDACTED] stated that in December 2002 there was a teleconference with [REDACTED] and COBB. The audit team wanted budget information. COBB stated the auditors would "have to do their job without it," and he was not going to request the budget data. [REDACTED] tried to provide an explanation as to the importance of the request, but COBB told [REDACTED] to "shut up, I wasn't done talking."

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COBB addressed the allegation during his interview conducted on June 29, 2006. His response begins at page 365, line 15 (**Exhibit 182**).

Q. Do you recall ever telling an [REDACTED] to shut up during a teleconference in which a budget request was discussed? [REDACTED]

A. I don't recall telling him to be quiet.

Q. Shut up?

[REDACTED] The direct quote was "shut up."

THE WITNESS: I don't recall doing that. If it is telecon that explains what the problem is with having GS-15s in the field when you're discussing important matters. You can't sit at the table, and these people would not come to headquarters to conduct serious conversations.

BY [REDACTED]



Q. Are you saying he misunderstood shut up?

A. I'm saying that it is very difficult to have communications with people over that forum. That's one point. What might have led me to in the context of -- what level of frustration in dealing with a person such as [ ] would lead me if, in fact, I did say something like that which would be very unusual, I don't know. For the inspector general to get a word in edgewise sometimes with some of the staff, it was difficult.

Q. So are you saying that it's appropriate when you're frustrated to ask staff or tell staff to shut up?

MR. CALVIN COBB: That's not what he said.

[ ] She's asking.

THE WITNESS: It is important for me to get the mission of my office accomplished. When -- you know, the bottom line is -- you know -- yeah. I'm just not going to answer the question.

[ ] That's fine. If you don't want to answer the question --

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THE WITNESS: Your question clearly reflects your own personal views on what you think is appropriate to occur in the context of a meeting. You know, I answered the question. I don't know whether or not I said that. I can tell you that -- you know -- I am focused on getting the job done in a way that I am proud of and I think that our work product reflects that. Whether or not others in my office had similar dedication to getting the job done right is a separate question.

BY [ ]

Q. Do you recall ever telling anybody, any direct report, any staff member to shut up?

A. I don't recall ever -- I don't recall ever saying that. Am I saying it didn't happen? I am saying that would be a pretty unusual thing for me to -- more typically, I would stick my hand up and put it. Like this, indicating, you know, sticking my palm out, say, you know, that's enough. I've heard -- you know, great. Can I please talk or can we allow this other person to talk? We've got your point. I've heard it. Great.

**Allegation 64** – A NASA Center Director improperly purchased a state-of-the-art recreational vehicle (RV) with Hurricane Katrina funds, and senior NASA OIG management elected not to investigate or audit the matter.

**Investigative Findings:**

[redacted] submitted a complaint to the Integrity Committee of the President's Council on Integrity and Efficiency (**Exhibit 5**). On March 15, 2006, [redacted] was interviewed and provided the following allegation (**Exhibit 43**). In June 2005, [redacted] learned of a potential misuse of NASA funds committed by [redacted], which senior NASA OIG management allegedly failed to properly investigate or audit.

Specifically, [redacted] alleged that [redacted] had purchased a state-of-the-art RV, with Hurricane Katrina funds. The widely known rumor at the SSC was that [redacted] was actually living in the RV for a period of time. [redacted] felt the matter should be audited to ensure the Katrina funds were used for an intended purpose, i.e., that the RV was purchased to be a mobile command post and that [redacted] was not inappropriately using the RV for personal financial gain.

[redacted]

On June 21, 2006, [redacted] was interviewed (**Exhibit 173**). [redacted] he was familiar with this allegation. [redacted] that a review of the RV procurement process was first declined by NASA OIG Office of Investigations before being referred to the Office of Audits. [redacted] reported the SSC suffered extensive infrastructure damage during Hurricane Katrina. [redacted] stated he was certain that the subject funds were not from the Federal Emergency Management Agency. [redacted] the justification [redacted] used for purchasing the RV was that the RV was to be used as a "mobile command post." [redacted] look into the matter.

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[redacted] discovered the RV purchased for [redacted] was a "fifth-wheel" trailer.

[redacted] she "did not see a reason for OA [Office of Audit] to pursue the audit." [redacted] was very clear in her instructions not to pursue the matter. [redacted] stated [redacted] made

statements to the effect of, "There were no hotels available for him [ ] to stay in after the hurricane," and, "He needed someplace to stay." [ ] characterized [ ] statements by stating, "She [ ] blew it off." [ ] did not know if [ ] had ever discussed the RV audit with COBB.

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**Allegation 65** – In Inspector General COBB’s first Semi-Annual Report to Congress, he eliminated “mismanagement” as a focus of the OIG, which typically encompasses the majority of audit findings, rather than fraud, waste and abuse.

**Investigative findings:**

[REDACTED] submitted a complaint to the Integrity Committee of the President’s Council on Integrity and Efficiency, which was forwarded to HUD OIG (**Exhibit 8**). In his complaint, under the heading “Undermining the Office of Audits, [REDACTED] stated, “In his first semi-annual report to Congress, he eliminated ‘mismanagement’ as a focus of the OIG, which typically encompasses the majority of audit findings, rather than fraud, waste and abuse.”

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NASA OIG’s Semiannual Reports from FY2002 to FY2005 were reviewed (**Exhibit 55**).

The following paragraph appeared in all reviewed reports:

“THE NASA OFFICE OF INSPECTOR GENERAL (OIG) conducts audits, inspections, and investigations to prevent and detect waste, fraud, abuse, and mismanagement, and to assist NASA management in promoting economy, efficiency, and effectiveness.”

**Allegation 66** – Inspector General COBB traveled onboard NASA aircraft with former NASA Administrator Sean O’Keefe (O’Keefe), for purposes other than official government business.

**Investigative Findings:**

A number of NASA OIG employees submitted complaints to the Integrity Committee of the President’s Council on Integrity and Efficiency alleging COBB regularly traveled aboard a NASA aircraft, known as NASA 1, with O’Keefe for reasons other than official government business. Specifically, it was alleged COBB participated in golf outings and other personal trips with O’Keefe to resort destinations such as the Grand Bahama Islands, Bermuda, and Monterey, California. It was further alleged COBB was aware of misuse of NASA 1 by O’Keefe, but elected to do nothing about the matter.

The investigation revealed COBB did travel with O’Keefe on NASA aircraft, and the trips were in the execution of official United States Government business.

In 2005, the United States Senate requested a Government Accountability Office (GAO) inquiry into the use of NASA aircraft. In performing their review, the GAO compiled flight manifests, from both NASA and the Federal Aviation Administration, from Fiscal Year (FY) 2003 through the end of FY 2004 (**Exhibit 71**). Additionally, records were obtained from [REDACTED] of COBB’s travel (**Exhibit 91**).

Review of the information provided by GAO reflected between October 2003 through September 2004, COBB traveled aboard NASA aircraft with O’Keefe, or senior NASA management staff, 10 times (**Exhibit 199**).

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Review of the information provided by [REDACTED] reflected between September 2002 through February 2006, COBB travel aboard NASA aircraft with O’Keefe, or senior NASA management staff, 13 times (**Exhibit 199**).

Neither the GAO records nor the NASA OIG travel records showed any indication of a NASA aircraft flight to any of the Grand Bahama Islands or Bermuda; however, COBB did accompany O’Keefe on a flight to Monterey, California, on official NASA business.



[REDACTED]  
[REDACTED] meeting wherein a discussion took place regarding plans for NASA OIG to conduct an audit of the use of NASA aircraft. At that meeting COBB said he would talk to O'Keefe about it to ensure NASA had all the records. COBB furthered stated he was playing golf with O'Keefe on "Saturday," and he would ask him then. [REDACTED] was not aware whether COBB ever had this conversation with O'Keefe.

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As far as [REDACTED] knew, COBB always had official travel orders when he flew on NASA aircraft. He was unaware of any travel by COBB that was not for business or without travel orders.

On June 27, 2006, COBB was interviewed regarding this matter. His response starts on page 113, line 21 through page 127, line 14, of the transcript (**Exhibit 182**).

**Allegation 6Z** – Inspector General COBB, former NASA Administrator Sean O’Keefe (O’Keefe), and former NASA General Counsel Paul Pastorek (Pastorek) would drink alcohol together.

**Investigative findings:**

[redacted]  
[redacted] wrote letters to U.S. Senator Bill Nelson [Florida] that were forwarded to HUD OIG through the Integrity Committee of the President’s Council on Integrity and Efficiency (**Exhibits 1 & 10, respectively**).

On January 31, 2006, [redacted] was interviewed (**Exhibit 19**). [redacted] stated before she was employed at NASA OIG, she heard that COBB and former NASA Administrator O’Keefe were close. [redacted] did not say from whom she heard this information. [redacted] stated she also heard that Pastorek was close to COBB and that they met weekly for drinks.

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On February 22, 2006, [redacted] was interviewed (**Exhibit 29**). [redacted] heard that COBB and O’Keefe would go up to the roof of the NASA Headquarters building and drink beer together. [redacted]  
[redacted]

On May 30, 2006, O’Keefe was interviewed (**Exhibit 137**). O’Keefe was asked, “Did you and COBB ever meet outside of work for drinks, golf, or other activities?” O’Keefe stated, “We did not socialize.” However, he and COBB played golf together once or twice. O’Keefe could not recall when or where they played golf.

On May 31, 2006, Pastorek was interviewed (**Exhibit 138**). Regarding his social contact with COBB, Pastorek said he might have met him once for a drink after hours in O’Keefe’s office. As for socializing outside the workplace, Pastorek said he did not see COBB outside of work.

Below is an excerpt from the transcript of an interview of [redacted]  
[redacted] conducted on June 28, 2006, beginning at Page 24, Line 6 (**Exhibit 185**).

SPECIAL AGENT [redacted] Okay. Generally, who was present at these meetings in Mr. O’Keefe’s office at the end of the day?

[redacted] Who -- it varied. Whoever happened to have any business to be up there at the time.

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SPECIAL AGENT [redacted] You mentioned the chief of staff?

[redacted] Right.

SPECIAL AGENT [redacted] Who was that at the time?

[redacted] It was -- well, there were a couple. First, it was [redacted], and then later it was [redacted]

SPECIAL AGENT [redacted] Okay. How about the General Counsel for NASA?

[redacted] Yeah, he would be there on occasion, Paul Pastorek.

SPECIAL AGENT [redacted] All right. Are you aware of -- did -- would they share in drinking within Mr. O'Keefe's office? Was there alcohol served?

[redacted] On some occasions I believe there was. Yeah.

Below is an excerpt from the transcript of COBB's interview conducted on June 27, 2006, where he addresses the issue of drinking alcohol with O'Keefe, beginning at Page 102, line 12 (**Exhibit 182**).

Q. Was there ever an occasion when you had drinks with Mr. O'Keefe at NASA headquarters within his office or anywhere -- perhaps within your office or anywhere else within NASA headquarters?

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A. I can remember one instance where I had -- O'Keefe had social functions that took place up when there was a retiring employee or some type of event like that. There would be social functions and there would occasionally be alcohol there. I didn't go pull the GSA permit for whether or not they had obtained permission in connection with that.

I can recall an incident -- not an incident, an instance where O'Keefe gave me a drink in his office.

Q. Okay. Could you give us some background on what the occasion was, why were you meeting with him? How did it come about that you were sharing -- were you having a drink as well?

A. I think he said to me that you look like you could use a drink, and I articulated that, okay. I don't know what he said. But I had a drink.

The specific instance there was again the Columbia accident in terms of the impact on the agency, like the Challenger, there were tremendously sensitive issues associated with -- for example, I bet you no one here at this table even though they're fairly familiar with the Challenger incident has any understanding of what happened to the seven astronauts that were on that vessel.

The reason is that NASA is extraordinarily protective of that information, the well-being of the program, and the families of those who died. They know what happened. It is not like it's a secret. It is known. But it is kept secret.

Same thing is true in connection with Columbia. What happened with respect to each of the dead astronauts is something that is well known. We had an instance in February of '04, where our service working with the Texas Rangers, this is one or --



I'm sorry to interrupt you, but there will be a line of questioning later where I think it would be more appropriate to address this. If for the moment we could go back to just what kind of interactions you had with Mr. O'Keefe, that would be most helpful.

THE WITNESS: Your last question was what prompted that instance where I can recall having a drink with Mr. O'Keefe. I think -- I can recall one other instance where that happened. It wasn't with just O'Keefe. It was with other persons on his staff. That was where I had been told that I was going to be appointed as the Inspector General to the coalition provisional authority.

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I think that -- I'm not positive. I think that he might have invited me to have a drink relating to that at that time.

**Allegation 68** – Inspector General COBB played golf with former NASA Administrator Sean O’Keefe (O’Keefe).

**Investigative findings:**

This allegation was received through interviews of nine individuals who alleged that COBB and O’Keefe played golf together. Based on those allegations a review of COBB’s emails was conducted. The following are emails that identify instances where COBB discussed playing golf with O’Keefe:

**1. Email Thread**

**“From:**Robert Cobb

**To:**sean o"keefe;

**CC:**

**Subject:**

Re:

**Date:**

Tuesday, July 02, 2002 2:45:20 PM

**Attachments:**

I would love to, although kids and work have wrecked an at one time not embarrassing game. If the spot is still open, let me know details.

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At 10:38 AM 7/2/2002 -0400, you wrote:

Moose -- don't recall if you are a golfer -- I'm pulling together a foursome for this Friday AM,  if you're interested, I'll send along particulars.  
  
best for the 4th – Sean”

**2. Email thread**

**“From:**SOKeefe@hq.nasa.gov

**To:**rcobb@hq.nasa.gov;

**CC:**

**Subject:**

Re:

**Date:**

Friday, July 11, 2003 2:13:24 PM

**Attachments:**

Fabulous - let's plan to meet Sat around 11:30 or so at the pro shop or around the practice tee/putting green. Do recall how to get there?

----- Original Message -----

From: Robert Cobb [rcobb@hq.nasa.gov]

Sent: 07/10/2003 05:48 PM

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To: "sean o'keefe" <sean.okeefe@nasa.gov>  
Cc: cobbj@sec.gov  
Subject: Re:

yes

At 05:10 PM 7/10/2003 -0400, you wrote:  
>Moose -- you up for golf Sat around noon?  
>"

### 3. Email thread

**From:** Robert Cobb  
**To:** sean.okeefe@nasa.gov;  
**CC:**  
**Subject:** golf buddy  
**Date:** Monday, December 15, 2003 9:24:19 AM  
**Attachments:**

What was the name of the guy who worked at the Naval Criminal Investigative Service that we played golf with at Belmont?"

On May 30, 2006, O'Keefe was interviewed and provided the following information (**Exhibit 137**). O'Keefe was asked, "Did you and COBB ever meet outside of work for drinks, golf, or other activities?" O'Keefe stated, "We did not socialize." However, he and COBB played golf together once or twice. O'Keefe could not recall when or where they played golf. Asked, "Did you golf together here [Belmont Country Club]?" O'Keefe stated, "I don't recall." Asked if he and COBB ever traveled together onboard NASA aircraft, O'Keefe stated he traveled in such a capacity with COBB once or twice, but could not recall any specific flight information. Asked if he ever traveled to Bermuda aboard a NASA aircraft, with COBB for the purpose of golfing, O'Keefe stated he has never traveled onboard NASA aircraft and engaged in golf activities following the official trip.

COBB was interviewed on June 27 and 29, 2006 (**Exhibit 182**). His response to questions associated with this area start on Page 81, line 20 and Page 94, line 9 of the transcript dated June 27, 2006.

Q. Did you have any social relationship?

A. I don't -- I guess these kinds of questions ask for me to expand on the nature of my relationship with Mr. O'Keefe. I had a business relationship with him. Did we personally enjoy each other's company? I don't know let [sic] enjoyed my company. To me it was advantageous to me and my office that I spend a lot of time as much time, in effect, as I could with O'Keefe. When he asked me to come out to where he plays golf, I accepted that invitation. And I did that I think twice, to go out and play golf with him. Whether that's a social relationship or a business relationship, I can tell you that -- you know - - did I tell him I had kids? Probably. I tell him -- you know -- about my wife? Probably. Where she

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worked. But from my standpoint - you know -- that relationship was defined by -- you know -- my carrying out the job as Inspector General of the agency and being able to get access to the person who's chiefly responsible for policy and execution of the agency mission.

Q. I agree with you complete frequently. I think there will be points later in the interview here we'll be able to do that. Let's go back to the relationship between you as the Inspector General and the agency administrator. You noted that you on approximately two occasions recall golfing with Mr. O'Keefe?

A. Yes.

Q. That would have been at his home in Virginia, correct?

A. Yes.

Q. Leesburg, I believe, Belmont?

A. Yes.

**Allegation 69** – Inspector General COBB failed to open an investigation for wrongdoing committed by [REDACTED]

**Investigative Findings:**

[REDACTED] an individual who requested confidentiality, provided information alleging COBB failed to open an investigation for wrongdoing committed by [REDACTED] (Exhibit 21). According to [REDACTED] [REDACTED] reportedly had several allegations made against him but was permitted to resign in lieu of termination. Specifically, [REDACTED] recalled [REDACTED] was accused of sexual harassment, staying in five-star hotels while on official travel, and then signing as the approving official on his own travel vouchers.

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On May 19, 2006, [REDACTED]  
[REDACTED] was telephonically interviewed (Exhibit 122). [REDACTED]

[REDACTED] was a “holdover” staff member from the time Sean O’Keefe was the NASA Administrator. [REDACTED] opined [REDACTED] might have been concerned that he was going to be re-assigned or geographically relocated by Michael Griffin, the new NASA Administrator. [REDACTED] believed [REDACTED] sought employment elsewhere to avoid re-assignment.

[REDACTED] resignation was completely voluntary. There were no proposed personnel actions pending against [REDACTED] at the time of his resignation. [REDACTED] stated she was unaware of any negotiations between NASA and [REDACTED] which resulted in [REDACTED] being allowed to resign in lieu of termination. [REDACTED] stated she did not believe any negotiations took place, because there were never any personnel actions proposed against [REDACTED]

[REDACTED] stated there were sexual harassment allegations made against [REDACTED] NASA management was conducting a preliminary fact-finding inquiry into the allegations when [REDACTED] resigned. According to [REDACTED] the NASA Equal Employment Office never classified the allegations as a “complaint.” This was because the allegations were never substantiated.

[REDACTED] said she has heard rumors there were allegations regarding [REDACTED] misuse of the government travel card. She has no direct knowledge of these allegations. The rumors also included information that NASA OIG was investigating [REDACTED] government travel card use.

A search of the NASA OIG Reporting System (NORS) performed on May 2, 2006, by [REDACTED]  
[REDACTED] failed to produce any record of a case being opened by NASA OIG regarding [REDACTED] alleged violation of travel card regulations (Exhibit 90).

The following allegations were received about Inspector General COBB. The allegations either were not investigated or could not be fully investigated. This was due to one of the following:

1. Insufficient information, or information which was too vague, was received.
2. The allegation was deemed frivolous.
3. Preliminary investigation into the allegation failed to produce additional leads, which would have then allowed for fuller consideration and investigation.

**Allegation 70** – [ ] provided documentation to Senator Bill Nelson (Nelson) [Florida] that was forwarded to HUD OIG through the Integrity Committee of the President's Council on Integrity and Efficiency (PCIE) (**Exhibit 10**). In the documentation he provided to Senator Nelson, [ ] stated that at the New Orleans All Hands Conference, COBB stated that he did not understand the federal regulations and wished he could fire at least one person a year.

**Allegation 71** – [ ] wrote a letter to Senator Nelson that was forwarded by the PCIE (**Exhibit 8**). In his letter to Senator Nelson, [ ] wrote, under the heading "Unprofessional and Demeaning Language and Behavior," that COBB stood up audit managers, even though they had been ordered to travel to brief the IG at Headquarters.

**Allegation 72** – In his letter to Senator Nelson, [ ] wrote, under the heading "Waste and Abuse," that in November 2004, COBB directed an SES in his office to help COBB's selected candidate for Assistant Inspector General for Audits (AIGA) prepare her application for promotion to SES (**Exhibit 8**).

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**Allegation 73** – In correspondence received from Senator Nelson's office through the PCIE, [ ] stated, "cronyism is rampant throughout the organization." Awards, bonuses, and promotions are often based on favoritism instead of professionalism and work accomplishment (**Exhibit 10**).

**Allegation 74** – In his complaint to Senator Nelson, [ ] wrote, under the heading "Squelching Audit Findings and Killing Proposals for Controversial Audits and Denying Access to Critical Budget Information," that in June 2002, COBB attempted to talk a director out of a finding on Safety Launch Initiative requirements (**Exhibit 8**).

**Allegation 75** – In correspondence received from Senator Nelson's office through the PCIE, [ ] provided documentation of his concerns within NASA OIG (**Exhibit 2**). In this documentation, [ ] stated there is currently an on-going investigation at the NASA Plum Brook Facility involving the decommissioning and demolition of a NASA nuclear reactor. NASA OIG has been conducting an investigation for over two years and until recently, never opened a criminal case. [ ] from this investigation on two occasions. In addition, [ ] has worked on the case and was recently removed without any explanation.

**Allegation 76** – On February 22, 2006, [ ] was interviewed (**Exhibit 29**) regarding information he submitted to Senator Nelson (**Exhibit 10**) and provided the following allegation. [ ] believes COBB hired [ ] by use of pre-selection.

**Allegation 77** – In correspondence received from Senator Nelson's office through the PCIE, [ ] provided documentation of his concerns within NASA OIG (**Exhibit 2**). In the documentation, [ ] stated COBB terminated audits pertaining to vehicle assembly issues and the Virginia Consortium grants without any explanation.

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**Allegation 78** – On March 22, 2006, [ ] was interviewed (**Exhibit 48**) regarding his complaint submitted to the PCIE (**Exhibit 9**). [ ] stated that he heard [ ] former NASA Administrator Sean O'Keefe when he was Secretary of the Navy.

**Allegation 79** – On May 26, 2006, and June 6, 2006, [ ] (Exhibit 134) [ ] (Exhibit 142) respectively, were interviewed to obtain information regarding allegations HUD OIG received from the PCIE. They stated that COBB required supervisors to include at least one negative comment in every employee performance appraisal.

**LIST OF EXHIBITS**

<b>EXHIBIT NUMBER</b>	<b>DESCRIPTION</b>
1	Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
2	Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
3	Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
4	Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
5	Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED] [REDACTED]
6	Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED] [REDACTED]
7	Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
8	Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
9	Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
10	Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
11	Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]

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- 12 Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]  
[REDACTED]
- 13 Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]  
NASA Langley Research Center
- 14 Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
- 15 Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
- 16 Complaint package received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
- 17 Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]  
[REDACTED]
- 18 Complaint received from the President's Council on Integrity and Efficiency, Integrity Committee, regarding complaint of [REDACTED]
- 19 Memorandum of Interview dated January 31, 2006, regarding interview of [REDACTED]  
[REDACTED] with Attachments
- 20 Memorandum of Interview dated February 7, 2006, regarding interview of [REDACTED] with Attachments
- 21 Memorandum of Interview dated February 15, 2006, regarding interview of Confidential Source [REDACTED] with Attachments
- 22 Memorandum of Interview dated February 21, 2006, regarding interview of [REDACTED] with Attachments
- 23 Memorandum of Interview dated February 21, 2006, regarding interview of [REDACTED] with Attachments

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- 24 Memorandum of Activity dated February 21, 2006, documenting Receipt of DVD's containing email
- 25 Memorandum of Interview dated February 22, 2006, regarding interview of [REDACTED] with Attachments
- 26 Memorandum of Interview dated February 22, 2006, regarding interview of [REDACTED]
- 27 Memorandum of Interview dated February 22, 2006, regarding interview of [REDACTED] with Attachments
- 28 Memorandum of Interview dated February 22, 2006, regarding interview of [REDACTED] with Attachments
- 29 Memorandum of Interview dated February 22, 2006, regarding interview of [REDACTED] with Attachments
- 30 Memorandum of Interview dated February 22, 2006, regarding interview of [REDACTED] with Attachments
- 31 Memorandum of Interview dated February 23, 2006, regarding interview of [REDACTED] with Attachments
- 32 Memorandum of Interview dated February 23, 2006, regarding interview of [REDACTED] with Attachments
- 33 Memorandum of Interview dated February 24, 2006, regarding interview of [REDACTED] with Attachments
- 34 Memorandum of Interview dated February 24, 2006, regarding interview of [REDACTED]
- 35 Memorandum of Activity dated March 2, 2006, documenting [REDACTED] telephonic follow up
- 36 Memorandum of Interview dated March 6, 2006, regarding interview of [REDACTED]
- 37 Memorandum of Interview dated March 7, 2006, regarding interview of [REDACTED] with Attachments

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- 38 Memorandum of Interview dated March 8, 2006, regarding interview of [redacted] with Attachments
- 39 Memorandum of Interview dated March 9, 2006, regarding interview of [redacted] with Attachments
- 40 Memorandum of Interview dated March 9, 2006, regarding interview of Confidential Source [redacted] with Attachments
- 41 Memorandum of Interview dated March 10, 2006, regarding interview of [redacted] with Attachments
- 42 Memorandum of Interview dated March 15, 2006, regarding interview of [redacted] with Attachments
- 43 Memorandum of Interview dated March 15, 2006, regarding interview of [redacted] with Attachments
- 44 Memorandum of Interview dated March 15, 2006, regarding interview of Confidential Source [redacted] with Attachments
- 45 Memorandum of Interview dated March 20, 2006, regarding interview of [redacted]
- 46 Memorandum of Activity dated March 21, 2006, documenting Information provided by [redacted] with Attachments
- 47 Memorandum of Activity dated March 21, 2006, documenting Receipt of ITAR CD's
- 48 Memorandum of Interview dated March 22, 2006, regarding interview of [redacted] with Attachments
- 49 Memorandum of Activity dated March 22, 2006, documenting Receipt of Records from [redacted]
- 50 Memorandum of Activity dated April 3, 2006, regarding an Email sent from [redacted] to IG COBB
- 51 Memorandum of Interview dated April 11, 2006, regarding interview of Confidential Source [redacted] with Attachments

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- 52 Memorandum of Interview dated April 12, 2006, regarding interview of [redacted] with Attachments
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- 65 Memorandum of Interview dated April 19, 2006, regarding interview of [REDACTED]
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- 175 Memorandum of Activity dated June 21, 2006, documenting Receipt of [REDACTED] emailed documents
- 176 Memorandum of Activity dated June 21, 2006, documenting Receipt of Records from [REDACTED] Regarding interview of ITAR investigation
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- 179 Memorandum of Interview dated June 26, 2006, regarding interview of [REDACTED]
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- 182 Memorandum of Interview dated June 27, 2006, and June 29, 2006, regarding interview of Robert COBB IG
- 183 Memorandum of Activity dated June 27, 2006, regarding Analysis of documents provided by [REDACTED]
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- 190 Memorandum of Activity dated July 7, 2006, documenting Audit Reports and workpapers provided by [REDACTED] Audit Reports
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- 195 Memorandum of Interview dated July 21, 2006, regarding interview of [REDACTED]
- 196 Memorandum of Interview dated July 26, 2006, regarding interview of [REDACTED] with Attachments
- 197 Memorandum of Activity dated July 27, 2006, documenting Contact with [REDACTED] Regarding interview of ICESat audit
- 198 Memorandum of Activity dated August 2, 2006, regarding documentation received from Confidential Source [REDACTED]
- 199 Memorandum of Activity dated August 11, 2006, concerning the comparison between spreadsheets provide by [REDACTED] with Attachments

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# Investigative Record Review

## REPORT OF INVESTIGATION

Case Number IC 500

Volume II

Appendices 1-9

For Official Use Only

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32	Clark	Laurel	NASA, Astronaut (Deceased)	
33	Cobb	Calvin	Attorney for Inspector General Robert Cobb	
34	Cobb	Robert	Inspector General	

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44	Davis	Harwell	United States Magistrate Judge	
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47	Debro	Angela	Assistant United States Attorney	
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51	Estes	David	Assistant United States Attorney	
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54	Featherston	Brit	Assistant United States Attorney	
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69	Golden	Jay	Assistant United States Attorney	
70	Goldin	Daniel	Former NASA Administrator	
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74	Griffin	Michael	Current NASA Administrator	
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109	LaRocca	Frank	General Counsel	
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138	Nelson	Bill	United States Senator, Florida	

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144	O'Keefe	Sean	Chancellor, Louisiana State University	Former NASA Administrator
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150	Pastorek	Paul	Partner, Adams and Reese LLP	Former NASA General Counsel
151	Pennfield	Russell	Assistant United States Attorney	
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187	Sollers	J. Sedwick (Wick)	King & Spalding, Attorney, Attorney for Inspector	
188			General Robert Cobb	
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199	Swecker	Chris	President's Council on Integrity and Efficiency,	
200			Chair	
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	Last Name	First Name	Current Position	Former Position
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214	Walker	Robert	United States Magistrate Judge	
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222	Wong Yang	Debra	United States Attorney	
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## COMMONLY USED ACRONYMS AND ABBREVIATIONS

AIGA	Assistant Inspector General for Audits
AIGI	Assistant Inspector General for Investigation
AIGMP	Assistant Inspector General for Management and Planning
ALR	Audit Liaison Representative
ARC	Ames Research Center
ASAC	Assistant Special Agent in Charge
AUSA	Assistant United States Attorney
BIS	Bureau of Industry and Security
CAIB	Columbia Accident Investigation Board
CalTech	California Institute of Technology
CCD	Computer Crimes Division
CFO	Chief Financial Officer
CFR	Code of Federal Regulations
CI	Counter Intelligence
CIO	Chief Information Officer
Code I	NASA Export Control Interagency Liaison Division
Code W	NASA Office of Inspector General
Code X	NASA Office of Security and Program Protection
COTR	Contracting Officer's Technical Representative
CRV	Crew Return Vehicle
DAIGA	Deputy Assistant Inspector General for Audits
DAIGI	Deputy Assistant Inspector General for Investigations
DAIGMP	Deputy Assistant Inspector General for Management and Planning
DHS	Department of Homeland Security
DIG	Deputy Inspector General
DCAA	Defense Contract Audit Agency
DCIS	Defense Criminal Investigative Service
DCMA	Defense Contract Management Agency
DLLR	Maryland Department of Labor, Licensing and Regulation
DOD	Department of Defense
DOJ	Department of Justice
DTSA	Defense Technology Security Administration
E&Y	Ernst and Young
EAR	Export Administration Regulations
EELV	Evolved Expendable Launch Vehicle
EO	Executive Order
ESSF	Emergency Supplemental Security Funding
FASA	Federal Acquisition Streamlining Act
FBI	Federal Bureau of Investigation
FCA	False Claims Act
FEMA	Federal Emergency Management Agency
FLETC	Federal Law Enforcement Training Center



## COMMONLY USED ACRONYMS AND ABBREVIATIONS

FOIA	Freedom of Information Act
FTP	File Transfer Protocol
GAO	Government Accountability Office
GRC	Glenn Research Center
GSA	General Services Administration
GSFC	Goddard Space Flight Center
HUD	Department of Housing and Urban Development
I&A	Inspections and Assessments
IA	Internal Affairs
IC	Integrity Committee of the PCIE
ICBM	Intercontinental Ballistic Missile
ICE	Immigration and Customs Enforcement
ICESat	Ice, Clouds and Land Evaluation Satellite
IFMP	Integrated Financial Management Program
IG	Inspector General
IP	Investigative Plans
ISS	International Space Station
IT	Information Technology
ITA	Independent Technical Authority
ITAR	International Traffic in Arms Regulations
JPL	Jet Propulsion Laboratory
JSC	Johnson Space Center
KSC	Kennedy Space Center
LaRC	Langley Research Center
LSI	Lear Services Incorporated
MFR	Memorandum for the Record
Moose	Inspector General Robert Cobb
MOU	Memorandum of Understanding
MSFC	Marshall Space Flight Center
NAACP	National Association for the Advancement of Colored People
NASA	National Aeronautics and Space Administration
NFI	No Further Information
NIS	NASA OIG's Nationwide Information System
NORS	NASA OIG Reporting System
NPD	NASA Policy Directive
NPR	NASA Procedural Requirements
OACIS	Office of Audits Central Information System
OIG	Office of Inspector General
OMB	Office of Management and Budget
OPF	Official Personnel File
OPM	Office of Personnel Management
OSC	Office of Special Counsel



## COMMONLY USED ACRONYMS AND ABBREVIATIONS

OSHA	Occupational Safety and Health Administration
OSPP	NASA Office of Security and Program Protection
PCIE	President's Council on Integrity and Efficiency
PSMP	Property Safety Management Program
PV/S	Pressure Vessels and Pressurized Systems
PWC	Price Waterhouse Coopers
QAR	Quality Assurance Representatives
RAC	Resident Agent in Charge
ROCC	Range Operations Control Center
ROI	Report of Investigation
RTF	Return To Flight
RV	Recreational Vehicle
SA	Special Agent
SSA	Senior/ Supervisory Special Agent
SGS	Space Gateway Support
SMA	Safety Mission Assurance
SRB	Solid Rocket Booster
SSC	Stennis Space Center
SSRRC	Senior Staff Referral Review Committee
STS	Space Shuttle Mission
TVA	Tennessee Valley Authority
USA	United Space Alliance
USAF	United States Air Force
USAO	United States Attorney's Office
USCS	United States Customs Service
USSS	United States Secret Service
UTC	United Technologies Corporation
WH	White House
WFO	Western Field Office

# Integrity Committee



President's Council on Integrity and Efficiency  
Executive Council on Integrity and Efficiency

935 Pennsylvania Ave., NW, Room 3975  
Washington, D.C. 20535-0001

January 6, 2006

The Honorable Kenneth M. Donohue  
Inspector General  
Department of Housing and Urban Development  
451 7th Street, SW, Room 8256  
Washington, D.C. 20410

Dear Mr. Donohue:

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This is in follow-up to a telephone conversation between Deputy Inspector General [redacted] of your office and Supervisory Special Agent (SSA) [redacted] concerning the captioned Integrity Committee (IC) matter.

As you know, pursuant to Executive Order (EO) 12993, the IC is charged with receiving, reviewing, and investigating, where appropriate, allegations of administrative (non-criminal) misconduct against Inspectors General (IGs) and, in certain cases, members of an IG's staff.

Over the past 14 months, the IC received a number of complaints against IG Robert W. Cobb of the National Aeronautics and Space Administration (NASA). Consistent with the longstanding IC practice, these complaints were initially referred to the Public Integrity Section (PIS) of the Criminal Division, Department of Justice (DOJ) for criminal review. After review, the PIS advised that a criminal investigation was not warranted at this time. Based upon this determination and the relevant provisions of EO 12993, this matter was subsequently presented to the IC for review.

At the December 15, 2005, IC meeting, this matter was discussed and opined that due to the number of credible allegations, with a pattern of possible misconduct and/or wrongdoings by the NASA IG, the IC determined that an administrative investigation of the allegations is appropriate.



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JAN 18 2006

January 6, 2006

The IC does not maintain investigative personnel on staff to investigate the allegations it receives. However, EO 12993 provides that the IC may request the necessary resources for an IC investigation from other OIGs of the President's Council on Integrity and Efficiency and the Executive Council on Integrity and Efficiency. Your office was selected to lead this investigation for the IC. Pursuant to EO 12993 and the Economy Act, your office will be reimbursed for the cost of this investigation by the OIG, DOD, the entity which employs the subject of the investigation. Should additional investigative resources be required, the IC is prepared to request the assistance of other OIGs or the FBI to provide additional personnel.

It is requested that the investigators contact SSA [redacted] [redacted] telephone number [redacted]. SSA [redacted] will provide your investigators all available information and input provided by the IC.

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It is requested that the investigators you appoint conduct a thorough investigation to determine whether the alleged misconduct did, in fact, occur and develop a comprehensive factual report concerning the allegations and any additional issues which may be uncovered during the investigation. That report will serve as the basis for further action to be taken by the IC. Your office should follow its own internal policies and procedures regarding the conduct of the investigation. Upon the conclusion of the investigation, your investigators may be requested to present their findings at a future meeting of the IC.

Your assistance in this matter is greatly appreciated.

Sincerely,

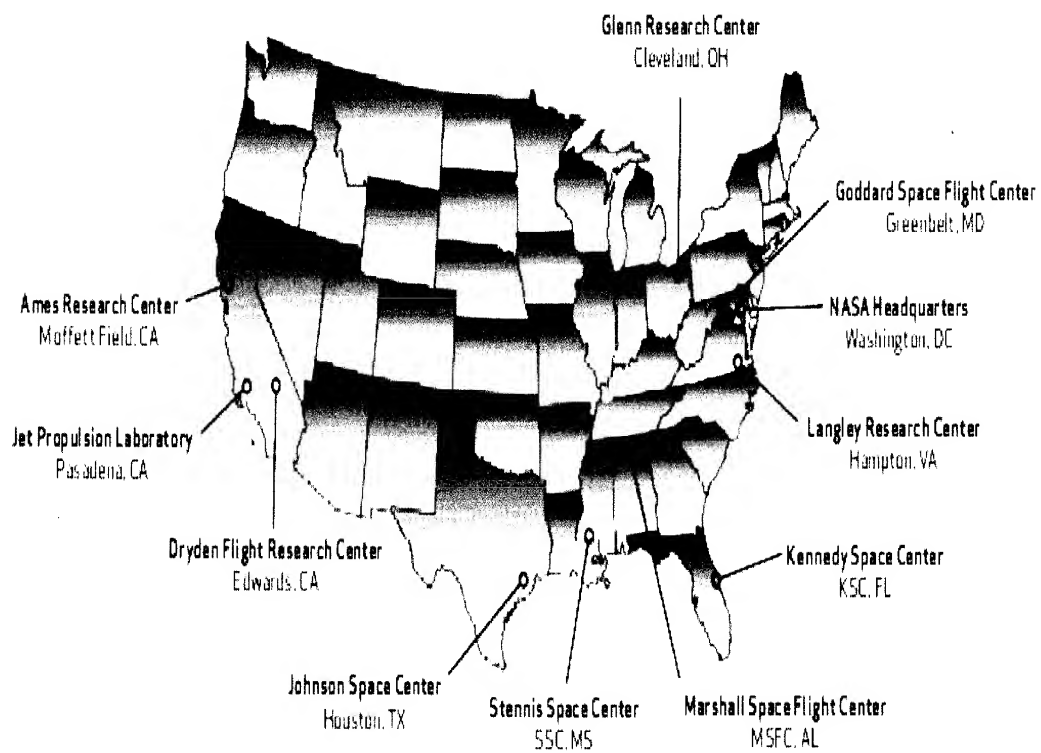


Chris Swecker  
Chair, Integrity Committee

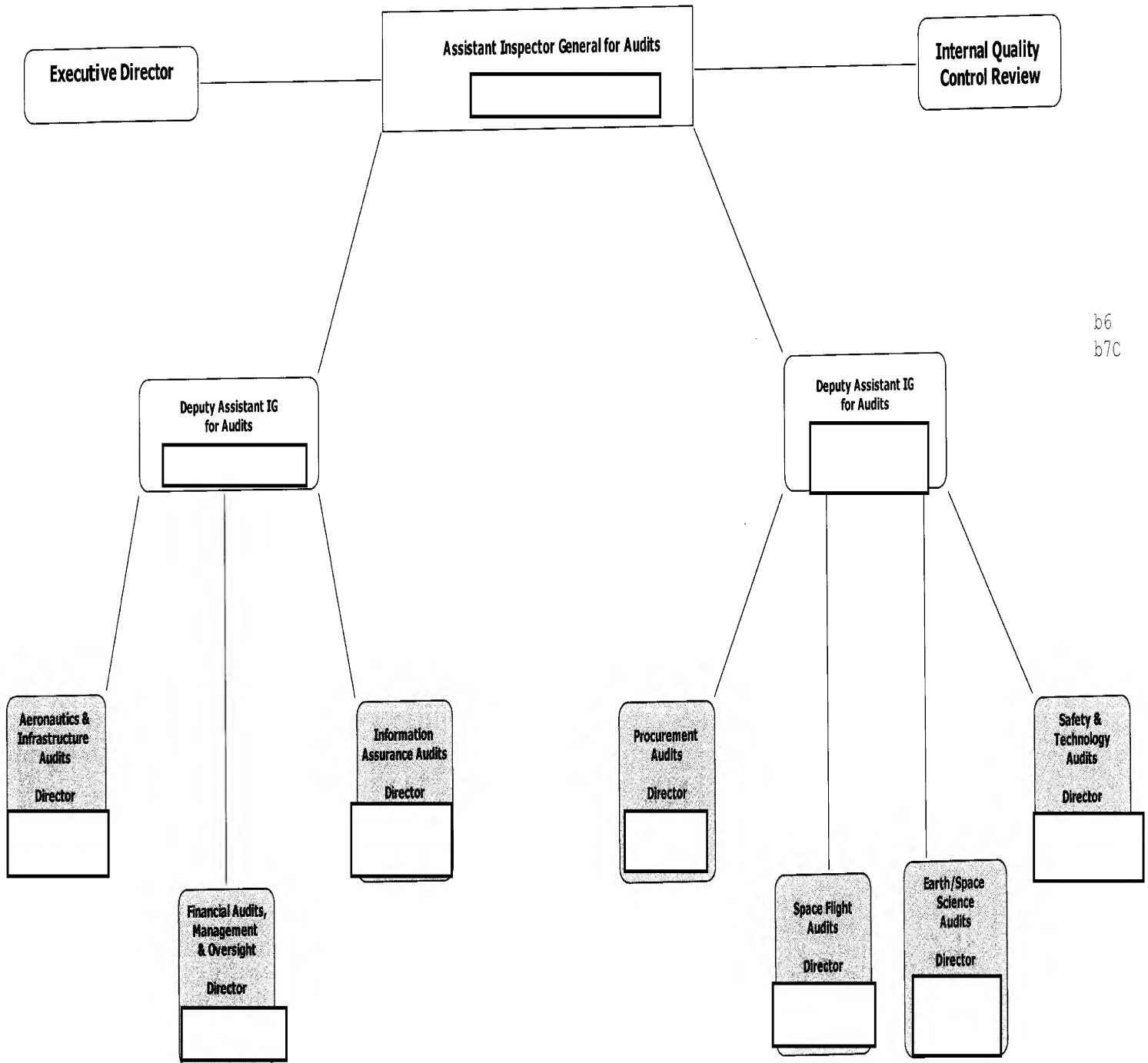
*Thanks for talking this over Ken.*  
*CS*

- 1 - Honorable Clay Johnson, III  
Chairman, President's & Executive Councils on Integrity and Efficiency  
c/o United States Office of Management and Budget (OMB)  
Eisenhower Executive Office Building  
17th Street & Pennsylvania Avenue, NW, Room 113  
Washington, D.C. 20503

# NASA Center Locations

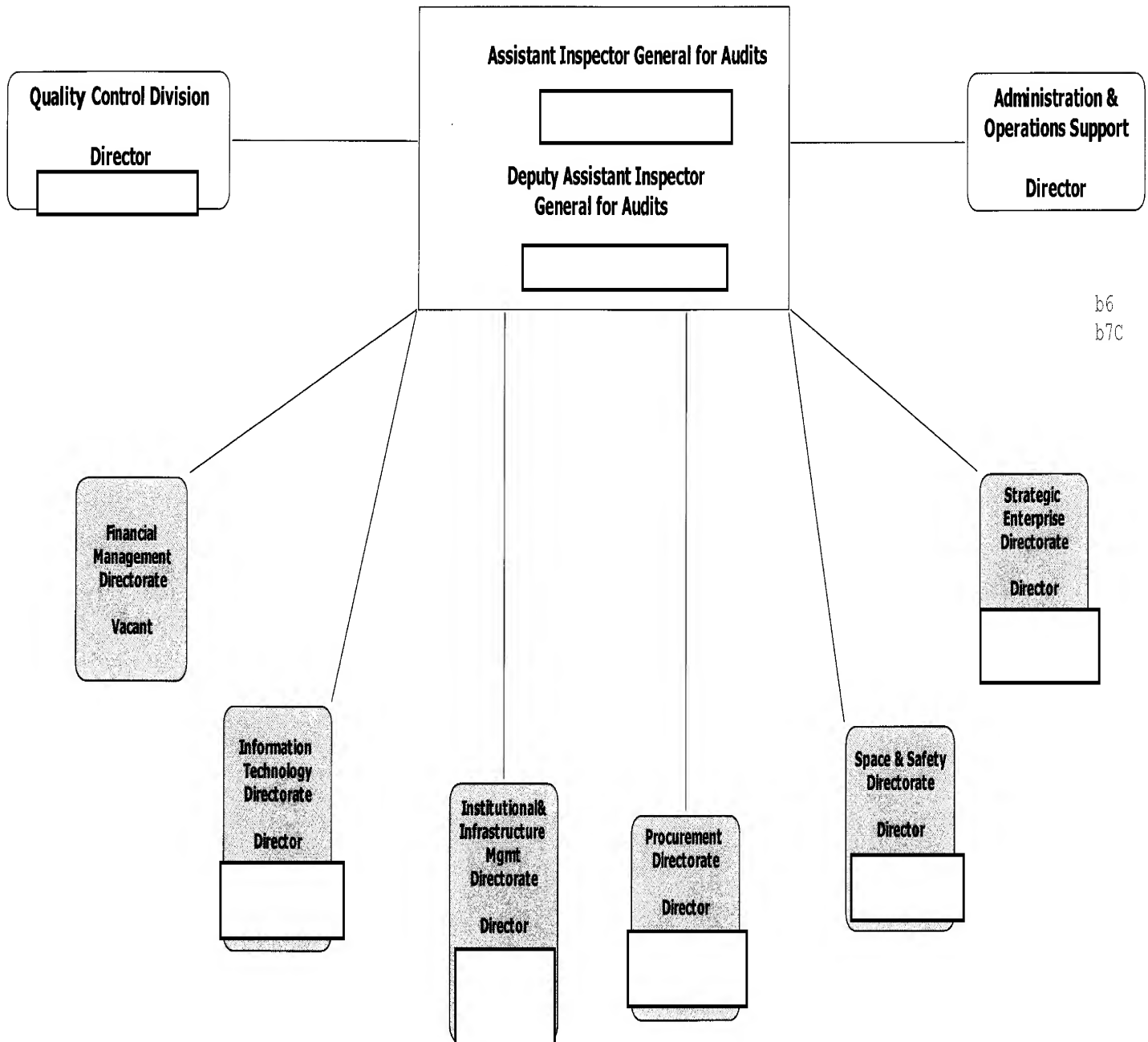


**Office of Audits Organizational Chart as of 1/23/03  
Prior to IG Cobb's Re-Organization  
(Allegation #14)**



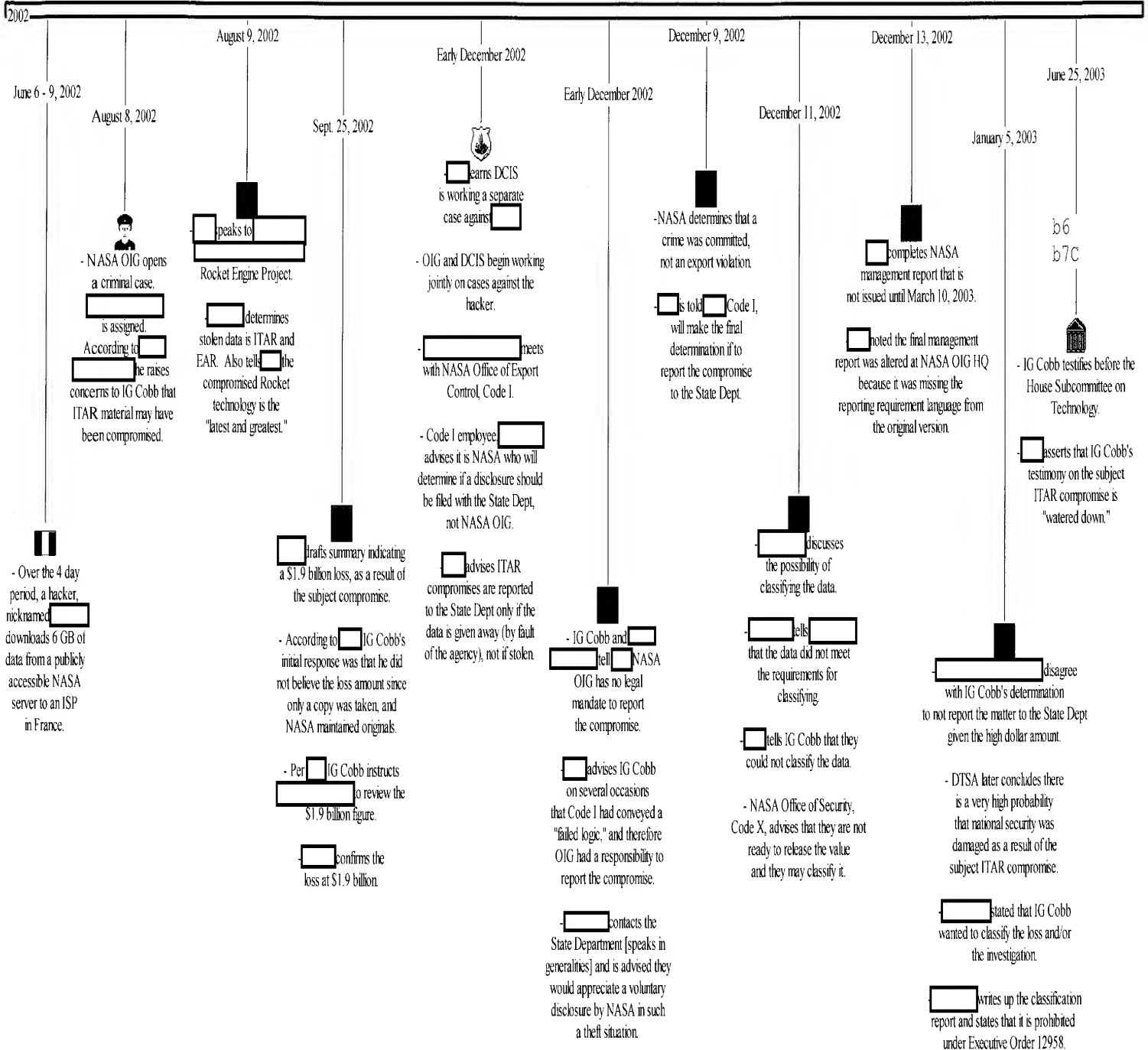
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# Office of Audits Organizational Chart as of 2/20/03 After IG Cobb's Re-Organization

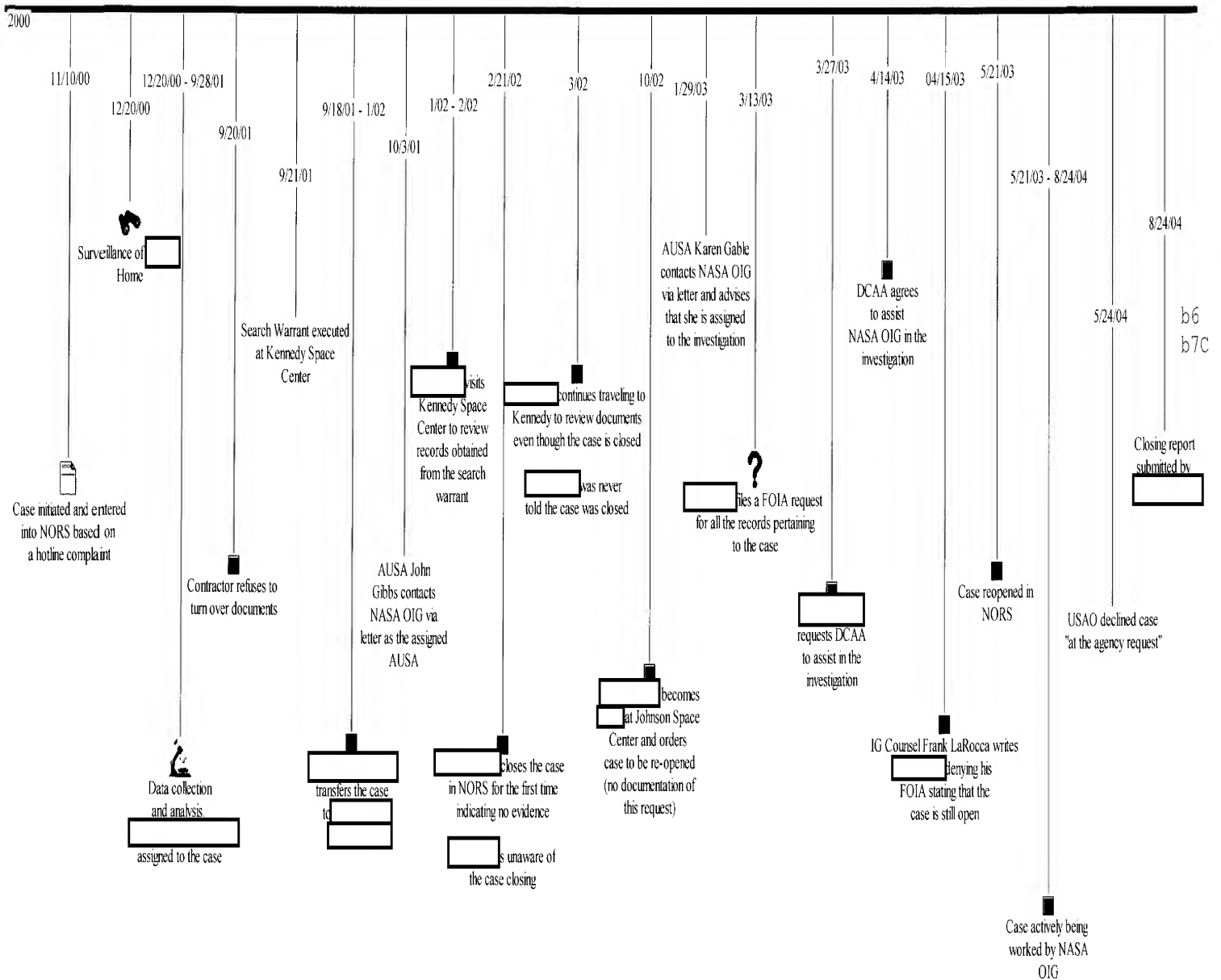


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## Timeline of Events in ITAR Case (Allegation #28)



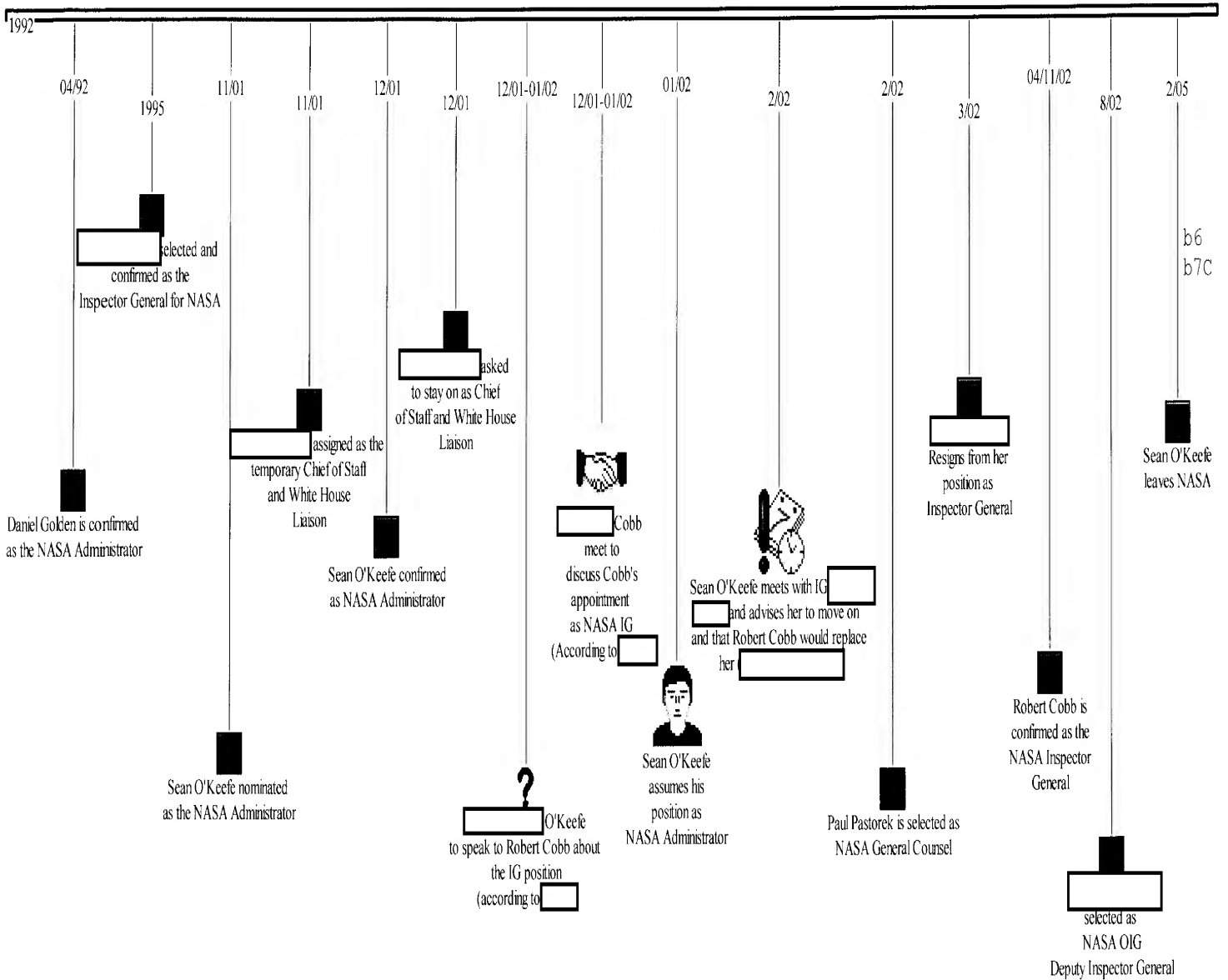
# Timeline of Events Pertaining to [REDACTED] Case (Allegation #36)



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# NASA and NASA OIG Appointments and Resignations (Section 3)



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